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M E N T I O N

SES
Société Anonyme
Château de Betzdorf
L-6815 Betzdorf

R.C. Luxembourg B 81267

Les comptes annuels consolidés au 31 décembre 2014

ont été déposés au registre de commerce et des sociétés.

Pour mention aux fins de publication au Mémorial, Recueil Spécial des Sociétés et Associations.

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Pierre Margue
Vice President, Legal Services, Corporate and Finance

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Consolidated financial statements as at December 31, 2014 and Independent auditor’s report

Contents

Audit report

To the Shareholders of
SES S.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of SES S.A. and its subsidiaries and associates (the "Group") which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statements of income, comprehensive income, cash flows and changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé" including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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pwc

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of 31 December 2014, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The consolidated Directors' report, including the Corporate Governance Statement, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements and includes the information required by the law with respect to the Corporate Governance Statement.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 19 February 2015

Gilles Vanderweyen

Consolidated income statement
For the year ended December 31, 2014

In millions of euros		**2014**	2013
Revenue	Note 4	**1,919.1**	1,862.5
Cost of sales	Note 5	**(173.5)**	(179.6)
Staff costs	Note 5	**(194.5)**	(185.8)
Other operating expenses	Note 5	**(123.1)**	(132.4)
Operating expenses	Note 5	**(491.1)**	(497.8)
EBITDA[1]		**1,428.0**	1,364.7
Depreciation expense	Note 12	**(491.6)**	(466.5)
Amortisation expense	Note 14	**(53.8)**	(47.0)
Operating profit	Note 4	**882.6**	851.2
Finance income	Note 7	**33.8**	9.6
Finance costs	Note 7	**(188.8)**	(183.1)
Net financing costs		**(155.0)**	(173.5)
Profit before tax		**727.6**	677.7
Income tax income/(expense)	Note 8	**(85.2)**	(87.5)
Profit after tax		**642.4**	590.2
Share of joint ventures and associates' result, net of tax	Notes 3, 15	**(39.0)**	(21.7)
Profit for the year		**603.4**	568.5
Attributable to:			
Owners of the parent		**600.8**	566.5
Non-controlling interests		**2.6**	2.0
		603.4	568.5
Earnings per share (in euro)[2]			
Class A shares	Note 10	**1.49**	1.41
Class B shares	Note 10	**0.59**	0.56

1 Earnings before interest, taxes, depreciation, amortisation and share of joint ventures and associates' result net of tax.

2 Earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of shares outstanding during the year as adjusted to reflect the economic rights of each class of share. Fully diluted earnings per share are insignificantly different from basic earnings per share.

The notes are an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income
For the year ended December 31, 2014

In millions of euros		**2014**	2013
Profit for the year		**603.4**	568.5
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligation		**(5.1)**	3.8
Income tax effect		**1.8**	(1.3)
Remeasurements of post employment benefit obligation, net of tax		**(3.3)**	2.5
Total items that will not be reclassified to profit or loss		**(3.3)**	2.5
Items that may be reclassified subsequently to profit or loss			
Impact of currency translation	Note 9	**588.6**	(235.0)
Income tax effect	Note 9	**13.0**	3.8
Total impact of currency translation, net of tax		**601.6**	(231.2)
Investment hedge		**(225.9)**	45.8
Income tax effect		**67.3**	(13.7)
Total net investment hedge, net of tax		**(158.6)**	32.1
Net movements on cash flow hedges		-	(1.8)
Income tax effect		-	0.5
Total net movements on cash flow hedges, net of tax		-	(1.3)
Total items that may be reclassified subsequently to profit or loss		**443.0**	(200.4)
Total other comprehensive loss for the year, net of tax		**439.7**	(197.9)
Total comprehensive income for the year, net of tax		**1,043.1**	370.6
Attributable to:			
Owners of the parent		**1,030.8**	370.1
Non-controlling interests		**12.3**	0.5
		1,043.1	370.6

The notes are an integral part of the consolidated financial statements.

Consolidated statement of financial position
As at December 31, 2014

In millions of euros		**2014**	2013
Non-current assets			
Property, plant and equipment	Note 12	**4,341.6**	3,747.7
Assets in the course of construction	Note 13	**684.8**	1,099.8
Total property, plant and equipment		**5,026.4**	4,847.5
Intangible assets	Note 14	**3,307.3**	2,750.3
Investments in joint ventures and associates	Notes 3, 15	**93.1**	141.8
Other financial assets	Note 16	**37.4**	3.9
Trade and other receivables	Note 17	**60.3**	65.5
Deferred tax assets	Note 8	**122.2**	95.7
Total non-current assets		**8,646.7**	7,904.7
Current assets			
Inventories		**5.3**	6.4
Trade and other receivables	Note 17	**691.5**	586.6
Prepayments		**38.8**	37.4
Derivatives	Note 18	**-**	9.5
Income tax receivable		**45.3**	-
Cash and cash equivalents	Note 20	**524.5**	544.2
Total current assets		**1,305.4**	1,184.1
Total assets		**9,952.1**	9,088.8
Equity			
Attributable to the owners of the parent	Note 21	**3,404.7**	2,820.7
Non-controlling interests		**84.9**	78.2
Total equity		**3,489.6**	2,898.9
Non-current liabilities			
Loans and borrowings	Note 23	**4,227.6**	3,542.2
Provisions	Note 24	**140.5**	129.0
Deferred income	Note 25	**335.1**	227.8
Deferred tax liabilities	Note 8	**676.5**	645.3
Other long-term liabilities	Note 26	**23.6**	59.7
Total non-current liabilities		**5,403.3**	4,604.0
Current liabilities			
Loans and borrowings	Note 23	**258.5**	803.7
Provisions	Note 24	**43.8**	12.6
Deferred income	Note 25	**410.6**	385.6
Trade and other payables	Note 26	**335.3**	341.4
Income tax liabilities	Note 8	**11.0**	42.6
Total current liabilities		**1,059.2**	1,585.9
Total liabilities		**6,462.5**	6,189.9
Total equity and liabilities		**9,952.1**	9,088.8

The notes are an integral part of the consolidated financial statements.

Consolidated statement of cash flows
For the year ended December 31, 2014

In millions of euros		**2014**	2013
Profit before tax		**727.6**	677.7
Taxes paid during the year	Note 8	**(88.7)**	(30.6)
Finance costs, net	Note 7	**162.8**	147.7
Depreciation and amortisation	Notes 12, 14	**545.4**	513.5
Amortisation of client upfront payments		**(58.0)**	(42.3)
Other non-cash items in the consolidated income statement		**26.3**	24.2
Consolidated operating profit before working capital changes		**1,315.4**	1,290.2
(Increase)/decrease in inventories		**3.9**	1.3
(Increase)/decrease in trade and other receivables		**21.2**	(211.6)
(Increase)/decrease in prepayments and deferred charges		**(5.7)**	2.9
Increase/(decrease) in trade and other payables		**(43.3)**	(60.3)
Increase/(decrease) in payments received on account		**(16.3)**	(21.2)
Increase/(decrease) in upfront payments and deferred income		**(35.7)**	147.2
Changes in working capital		**(75.9)**	(141.7)
Net operating cash flow		**1,239.5**	1,148.5
Cash flow from investing activities			
Net disposal/(purchase) of intangible assets	Note 14	**(129.9)**	(5.5)
Purchase of tangible assets	Notes 12, 13	**(324.2)**	(377.5)
Disposal of tangible assets	Note 12	**1.3**	0.2
Investment in subsidiaries and equity-accounted investments	Note 15	**(18.3)**	–
Proceeds from disposal of subsidiaries and joint ventures	Note 3	**-**	15.5
Loan granted to associate	Note 15	**(42.5)**	(12.3)
Repayment of loan to associate	Note 15	**-**	14.2
Settlement of net investment hedge instruments	Note 19	**13.1**	(57.0)
Other investing activities		**(0.6)**	0.1
Net cash absorbed by investing activities		**(501.1)**	(422.3)
Cash flow from financing activities			
Proceeds from borrowings	Note 23	**707.9**	1,769.5
Repayment of borrowings	Note 23	**(808.6)**	(1,587.1)
Dividends paid on ordinary shares, net of dividends received	Note 11	**(433.1)**	(390.2)
Dividends paid to non-controlling interest		**(5.6)**	(5.6)
Interest on borrowings	Note 23	**(188.5)**	(180.3)
Acquisition of treasury shares		**(121.5)**	(22.9)
Proceeds from treasury shares sold and exercise of stock options		**92.4**	44.7
Net cash absorbed by financing activities		**(757.0)**	(371.9)
Net foreign exchange movements		**(1.1)**	(50.1)
Net (decrease)/increase in cash		**(19.7)**	304.2
Net cash at beginning of the year (Note 20)	Note 20	**544.2**	240.0
Net cash at end of the year (Note 20)	Note 20	**524.5**	544.2

The notes are an integral part of the consolidated financial statements.

Consolidated statement of changes in shareholders' equity
For the year ended December 31, 2014

In millions of euros	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total Equity
At January 1, 2014	**633.0**	**595.9**	**(29.6)**	**1,917.9**	**562.4**	**(1.4)**	**(857.5)**	**2,820.7**	**78.2**	**2,898.9**
Result for the year	–	–	–	–	600.8	–	–	600.8	2.6	603.4
Other comprehensive income (loss)	–	–	–	(3.3)	–	–	433.3	430.0	9.7	439.7
Total comprehensive income (loss) for the year	**–**	**–**	**–**	**(3.3)**	**600.8**	**–**	**433.3**	**1,030.8**	**12.3**	**1,043.1**
Allocation of 2013 result	–	–	–	129.3	(129.3)	–	–	–	–	–
Dividends paid[1]	–	–	–	–	(433.1)	–	–	(433.1)	(5.6)	(438.7)
Purchase of treasury shares	–	–	(121.5)	–	–	–	–	(121.5)	–	(121.5)
Share-based payment adjustment	–	–	–	11.3	–	–	–	11.3	–	11.3
Exercise of stock options	–	–	115.9	(20.5)	–	–	–	95.4	–	95.4
Other movements	–	(2.4)	2.4	(0.3)	–	1.4	–	1.1	–	1.1
At December 31, 2014	**633.0**	**593.5**	**(32.8)**	**2,034.4**	**600.8**	–	**(424.2)**	**3,404.7**	**84.9**	**3,489.6**

In millions of euros	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total Equity
At January 1, 2013 Restated[2]	**633.0**	**595.9**	**(75.4)**	**1,658.1**	**650.1**	**(0.1)**	**(659.9)**	**2,801.7**	**79.4**	**2,881.1**
Result for the year	–	–	–	–	566.5	–	–	566.5	2.0	568.5
Other comprehensive income (loss)	–	–	–	2.5	–	(1.3)	(197.6)	(196.4)	(1.5)	(197.9)
Total comprehensive income (loss) for the year	–	–	–	**2.5**	**566.5**	**(1.3)**	**(197.6)**	**370.1**	**0.5**	**370.6**
Allocation of 2012 result	–	–	–	258.6	(258.6)	–	–	–	–	–
Dividends paid[1]	–	–	–	–	(390.2)	–	–	(390.2)	(5.6)	(395.8)
Share-based payment adjustment	–	–	–	11.2	–	–	–	11.2	–	11.2
Exercise of stock options	–	–	45.8	(12.5)	–	–	–	33.3	–	33.3
Other movements	–	–	–	–	(5.4)	–	–	(5.4)	3.9	(1.5)
At December 31, 2013	**633.0**	**595.9**	**(29.6)**	**1,917.9**	**562.4**	**(1.4)**	**(857.5)**	**2,820.7**	**78.2**	**2,898.9**

[1] Dividends are shown net of dividends received on treasury shares.

[2] Restated for the adoption of IAS 19 (revised), refer to Note 2.

The notes are an integral part of the consolidated financial statements.

Note 1 – Corporate information

SES S.A. ('SES' or 'the Company') was incorporated on March 16, 2001 as a limited liability Company (Société Anonyme) under Luxembourg Law. References to the 'Group' in the following notes are to the Company and its subsidiaries, joint ventures and associates. SES trades under 'SESG' on the Luxembourg Stock Exchange and Euronext, Paris.

The consolidated financial statements of SES for the year ended December 31, 2014 were authorised for issue in accordance with a resolution of the directors on February 19, 2015. Under Luxembourg Law the financial statements are approved by the shareholders at the annual general meeting.

Note 2 – Summary of significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and endorsed by the European Union (IFRS), as at December 31, 2014.

The consolidated financial statements have been prepared on a historical cost basis, except where fair value is required by IFRS as described below. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS, effective from January 1, 2014 and adopted by the Group:

IFRS 10 Consolidated financial statements

Under IFRS 10, subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group has assessed the implication of the application of IFRS 10 on its subsidiaries and associates.

In that respect, it is noted that one of the subsidiaries of the Group, SES Government Solutions, Inc., U.S.A. ("SES GS") is subject to specific governance rules and is managed through a Proxy Agreement, which was agreed with the Defense Security Service ("DSS") (the government entity responsible for the protection of information which is shared with industry that is deemed classified or sensitive with respect to the national security of the United States of America) of the US Department of Defense ("DOD"). A proxy agreement is an instrument intended to mitigate the risk of foreign ownership, control or influence when a foreign person acquires or merges with a U.S. entity that has a facility security clearance. A proxy agreement conveys a foreign owner's voting rights to proxy holders, comprising the proxy board. Proxy holders are cleared U.S. citizens approved by the DSS

The DSS required that SES GS enter into a proxy agreement because it is indirectly owned by SES and SES GS has contracts with the DOD which contain certain classified information. The Proxy Agreement enables SES GS to participate in such contracts with the U.S. Government despite being owned by a non-U.S. corporation.

As a result of the Proxy Agreement, certain limitations are placed on the information which may be shared, and the interaction which may occur, between SES GS and other SES Group companies. The Proxy Holders, besides acting as directors of SES GS, are entitled to vote in the context of a trust relationship with SES on whose basis their activity is performed in the interest of SES's shareholders and of U.S. national security.

The Company's assessment of the allocation of powers over the relevant activities of SES GS encompassed the activities of operating and capital decision making, the appointment and remuneration of key management, and the exposure to the variability of financial returns based on the financial performance of SES GS.

Based on its assessment, the Company concluded that, from an IFRS 10 perspective, SES has and is able to use powers over the relevant activities of SES GS and has an exposure to variable returns from its involvement in SES GS, consistent with an assumption of control.

Therefore the adoption of IFRS 10 did not have any impact on the financial position of the Group.

IFRS 11 Joint arrangements

IFRS 11 focuses on the contractual rights and obligations of the parties to the arrangement rather than its legal structure. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses under the appropriate headings. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. As at 31 December, 2014, the Group does not have any joint arrangements. Therefore, the adoption of this standard did not have any impact on the financial position or performance of the Group.

IFRS 12 Disclosures of interests in other entities

IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The consolidated financial statements have been prepared in accordance with this standard refer to Note 15 and Note 32 for further details. The adoption of this standard did not have any impact on the financial position or performance of the Group.

IFRIC 21 Levies

IFRIC 21 sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 Provisions. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. This standard became effective for annual periods beginning on or after January 1, 2014. The Group is not currently subjected to significant levies so the impact on the Group is not material.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries, after the elimination of all material inter-company transactions. Subsidiaries are consolidated from the date the Company obtains control until such time as control ceases. Acquisitions of subsidiaries are accounted for using the purchase method of accounting. The financial statements of subsidiaries and affiliates are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. For details regarding the subsidiaries included in the consolidated financial statements see Note 32.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership's interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

When the group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

Investments in joint arrangements

Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Financial statements of joint ventures are prepared for the same reporting year as the Group. Where necessary, adjustments are made to those financial statements to bring the accounting policies used into line with those of the Group.

The Group assesses investments in joint ventures for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication of impairment exists, the carrying amount of the investment is compared with its recoverable amount, being the higher of its fair value less costs to sell and value in use. Where the carrying amount exceeds the recoverable amount, the investment is written down to its recoverable amount.

The Group ceases to use the equity method of accounting on the date from which it no longer has joint control over the joint venture or when the investment is classified as held for sale.

Investments in associates

The Group has investments in associates which are accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence but not control.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "Share of joint ventures and associates' result" in the income statement.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. In general the financial statements of associates are prepared for the same reporting year as the parent Company, using consistent accounting policies.

Adjustments are made to bring in line any dissimilar accounting policies that may exist. Where differences arise in the reporting dates the Group adjusts the financial information of the associate for significant transactions in the intervening period.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the income statement.

The Group ceases to use the equity method of accounting on the date from which it no longer has significant influence over the associate, or when the interest becomes classified as an asset held for sale.

Significant accounting judgments and estimates

1) Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) Treatment of orbital slot licence rights

The Group's operating companies have obtained rights to operate satellites at certain orbital locations and using certain frequency bands. These licences are obtained through application to the relevant national and international regulatory authorities, and are generally made available for a defined period. On the expiry of such agreements, the operating Company will generally be in a position to re-apply for the usage of these positions and frequency rights. Where the Group has obtained such rights through the acquisition of subsidiaries and associates, the rights have been identified as an asset acquired and recorded at the fair value attributed to the asset at the time of the acquisition as a result of purchase accounting procedure. Such assets are deemed to have an indefinite life where the Group has a high probability that it will be able to successfully re-apply for these rights as and when they expire. Hence these assets are not amortised, but rather are subject to regular impairment reviews to confirm that the carrying value in the Group's financial statements is still appropriate. More details are given in Note 14.

(ii) Taxation

The Group operates in numerous tax jurisdictions and management is required to assess tax issues and exposures across its entire operations and to accrue for potential liabilities based on its interpretation of country-specific tax law and best estimates. In conducting this review management assesses the magnitude of the issue and the likelihood, based on experience and specialist advice, as to whether it will result in a liability for the Group. If this is deemed to be the case then a provision is recognised for the potential taxation charges. A corresponding provision of EUR 147.5 million (2013: EUR 98.0 million) is recorded in the Statement of Financial Position as at December 31, 2014 under non-current 'Provisions', for EUR 103.7 million (2013: EUR 85.4 million), and current 'Provisions' for EUR 43.8 million (2013: EUR 12.6 million).

One significant area of management's judgment is in the area of transfer pricing. Whilst the Group employs dedicated members of staff to establish and maintain appropriate transfer pricing structures and documentation, judgment still needs to be applied and hence potential tax exposures can be identified. The Group, as part of its overall assessment of liabilities for taxation, reviews in detail the transfer pricing structures in place and records provisions where this seems appropriate on a case by case basis.

(iii) Consolidation of entities in which the Group holds less than 50%

Management has concluded that the Group controls Al Maisan Satellite Communication LLC ('Al Maisan'), even though it holds less than half of the voting rights of this subsidiary. The Group has the majority of the voting rights on the Board of Directors of Al Maisan and there is no other entity owning potential voting rights that could question SES' control.

SES has power over relevant activities of Al Maisan, such as budget approval, appointment and removal of the CEO and senior management team as well as the power to appoint or remove the majority of the Board members. The entity is therefore consolidated with a 65% of non-controlling interest.

(iv) Investment in O3b Networks Limited ('O3b Networks')

Management has assessed the level of influence that the Group has on O3b Networks and determined that it has significant influence. This is because the Group neither appoints the majority of the Board members of O3b Networks, nor controls a simple majority for shareholder resolutions. Although SES is acting as a consultant to O3b Networks (through some technical and commercial committees), such consultancy role does not provide control over the relevant activities of O3b Networks and there is no "de facto" control over O3b Networks.

Consequently, this investment has been classified as an associate.

2) Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year(s), are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Impairment testing for goodwill and other indefinite-life intangible assets

The Group determines whether goodwill and other indefinite-life intangible assets are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill and other indefinite-life intangible assets are allocated. Establishing the value in use requires the Group to make an estimate of the expected future pre-tax cash flows from the cash-generating unit and also to choose a suitable pre-tax discount rate and terminal growth rate in order to calculate the present value of those cash flows. More details are given in Note 14.

(ii) Impairment testing for space segment assets

As described above the Group assesses at each reporting date whether there is any indicator that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group determines an estimate of the recoverable amount. This requires an estimation of the value in use of the assets to ensure that this exceeds the carrying amount included in the consolidated financial statements. As far as this affects the Group's satellite assets, this estimation of the value in use requires estimations not only concerning the commercial revenues to be generated by each satellite, but also the impact of past in-orbit anomalies and their potential impact on the satellite's ability to provide its expected commercial service.

In January 2015, the AMC-15 satellite suffered a tenth solar array circuit failure (of the 24 circuits on board) which will reduce the number of transponders which can be operated on the satellite. Reflecting the impact of this reduction in commercial capacity on future cash generation, an impairment charge of EUR 6.7 million was recorded on AMC-15 in December 2014.
The net book value of AMC-15 after impairment is now EUR 70.9 million.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. Assets acquired and liabilities assumed are recognized at fair value.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Property, plant and equipment

Property, plant and equipment is initially recorded at acquisition or manufacturing cost, which for satellites includes the launcher cost and launch insurance, and is depreciated over the expected useful economic life. Other than in respect of supplier credits for delayed delivery of satellites, which are set off against the base cost of the satellite concerned, the financial impact of changes resulting from revisions to management's estimate of the cost of the property, plant and equipment is taken to income statement of the period concerned.

Costs for the repair and maintenance of these assets are recorded as an expense.

Property, plant and equipment is depreciated using the straight-line method, generally based on the following useful lives:

Buildings	25 years
Space segment assets	10 to 16 years
Ground segment assets	3 to 15 years
Other fixtures, fittings, tools and equipment	3 to 15 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any loss or gain arising on derecognition of the asset is included in the profit and loss account in the year the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted where necessary.

Assets in the course of construction

This caption includes satellites which are under construction. Incremental costs directly attributable to the purchase of satellites, including launch costs and other related expenses such as ground equipment and borrowing costs, are capitalised in the statement of financial position.

The cost of satellite construction may include an element of deferred consideration to satellite manufacturers referred to as satellite performance incentives. SES is contractually obligated to make these payments over the lives of the satellites, provided the satellites continue to operate in accordance with contractual specifications. Historically, the satellite manufacturers have earned substantially all of these payments. Therefore, SES accounts for these payments as deferred financing, capitalising the present value of the payments as part of the cost of the satellites and recording a corresponding liability to the satellite manufacturers. Interest expense is recognized on the deferred financing and the liability is accreted based on the passage of time and reduced as the payments are made.

Once the asset is subsequently put into service and operates in the manner intended by management, the expenditure is transferred to assets in use and depreciation commences.

Borrowing costs

Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Intangible assets

1) **Goodwill**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised as income in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill, from the acquisition date, is allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The carrying value of acquisition goodwill is reviewed for impairment annually, or more frequently if required to establish whether the value is still recoverable. The recoverable amount is defined as the higher of fair value less costs to sell and value in use. Impairment charges are recorded in the income statement. Impairment losses relating to goodwill cannot be reversed in future periods. The Group estimates value in use on the basis of the estimated discounted cash flows to be generated by a cash-generating unit which are based upon business plans approved by management. Beyond a seven-year period, cash flows may be estimated on the basis of stable rates of growth or decline.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2) **Other intangibles**

(i) **Orbital rights**

Intangible assets consist principally of rights of usage of orbital frequencies and acquired transponder service agreements. The Group is authorized by governments to operate satellites at certain orbital locations. Governments acquire rights to these orbital locations through filings made with the International Telecommunication Union ("ITU"), a sub-organization of the United Nations. The Group will continue to have rights to operate at its orbital locations so long as it maintains its authorisations to do so. Those rights are reviewed at acquisition to establish whether they represent assets with a definite or indefinite life. Those assessed as being definite life assets are amortised on a straight-line basis over their estimated useful life not exceeding 21 years. Indefinite-life intangible assets are held at cost in the statement of financial position and are subject to impairment testing in line with the treatment outlined for goodwill above. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. Orbital rights acquired for a non-cash consideration are initially measured at the fair value of the consideration given.

(ii) **Software and development costs**

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed seven years.

Impairment of other non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the recoverable amount.

The Group's long-lived assets and definite-life intangible assets, including its in-service satellite fleet, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Impairments can arise from complete or partial failure of a satellite as well as other changes in expected discounted future cash flows. Such impairment tests are based on a recoverable value determined using estimated future cash flows and an appropriate discount rate. The estimated cash flows are based on the most recent business plans. If impairment indicators exist, the asset value will be written down to its recoverable amount.

Investments and other financial assets

Financial assets in the scope of IAS 39 are classified as one of:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; or,
- available-for-sale financial assets.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular purchases and sales of financial assets are recognised on the trade date, that is to say the date that the Group is committed to the purchase or sale of the asset.

The following categories of financial asset as defined in IAS 39 are relevant in the Group's financial statements.

1) **Financial assets at fair value through profit or loss**

   Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated and effective hedging instruments. Gains or losses on investments held for trading are recognised in income.

2) **Loans and receivables**

   Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For 'loans and receivables', the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Inventories

Inventories primarily consist of equipment held for re-sale, work-in-progress, related accessories and network equipment spares and are stated at the lower of cost or market value, with cost determined on an average-cost method and market value based on the estimated net realisable value.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Provisions are recognised when there is objective evidence that the Group will not be able to collect the debts. The Group evaluates the credit risk of its customers on an ongoing basis, classifying them into three categories: prime, market and sub-prime.

Treasury shares

Treasury shares are mostly used by the Group for the share-based payments plan. Acquired own equity instruments (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash on hand and in banks and short-term deposits which are held to maturity are carried at fair value. For the purposes of the consolidated statement of cash flow, 'Net Cash' consists of cash and cash equivalents, net of outstanding bank overdrafts.

Revenue recognition

The Group generates its revenues through two complementary channels: the direct commercialisation to customers of its extensive satellite assets and ground network, which is what the Group refers to as its "Infrastructure" operations; and, through the provision of satellite-related products and services which are designed to generate additional markets for capacity on the satellite fleet (for example through the provision of digital platform services and retail two-way internet broadband access offerings) or to separately monetise skills and assets available in the Infrastructure operations, such as through the provision of engineering services. This latter group of businesses is what the Group refers to as its "Services" business.

In the Infrastructure operations, revenues are generated predominantly from customer service agreements for the provision of satellite capacity over agreed periods by station-kept satellites at the Group's primary orbital positions. The Group also includes as Infrastructure revenue income received from the following type of services: revenues arising under operating leases; occasional use revenues; uplinking and downlinking operations; income received in connection with satellite interim missions; and, proceeds from the sale of transponders if the revenue recognition criteria for the transaction are met. Other income received in connection with settlements under insurance claims or disputes with satellite manufactures are also included as part of revenue due to their relative insignificance.

All amounts received from customers under service agreements or operating lease contracts for satellite capacity are recognised on a straight-line basis at the fair value of the consideration received or receivable over the duration of the respective contracts - including any free-of-charge periods which may be included in the contract. Occasional use revenues, uplinking and downlinking revenues and interim mission revenues are recognised in the period that the service is delivered. The proceeds of transponder sales are recognised in the period of the transaction. Income received in connection with insurance and legal settlements are recognised in the period when they become receivable by the Group

Customer payments received in advance of the provision of service are recorded as deferred income in the statement of financial position, and for significant advance payments, interest is accrued on the amount received at the effective interest rate at the time of receipt. The unbilled portion of recognised revenues is disclosed within 'Trade and other receivables', allocated between current and non-current as appropriate.

Where satellite transponder services are provided in exchange for dissimilar goods and services, the revenue is measured at the fair value of the goods or services received where these can be reliably measured, otherwise at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents received.

Concerning revenue recognition in the Services operations, and specifically in the area of engineering services, the Group applies a percentage of completion analysis to allocate revenue arising on long-term construction contracts appropriately between the accounting periods concerned assuming the outcome can be estimated reliably.

Dividends

The Company declares dividends after the financial statements for the year have been approved. Accordingly dividends are recorded in the subsequent year's financial statements.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

Current taxes

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date.

Deferred taxes

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred taxes are classified according to the classification of the underlying temporary difference either, as an asset or a liability, or in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Translation of foreign currencies

The consolidated financial statements are presented in euro (EUR), which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency at the date of the transaction. The cost of non-monetary assets is translated at the rate applicable at the date of the transaction. All other assets and liabilities are translated at closing rates of period. During the year, expenses and income expressed in foreign currencies are recorded at exchange rates which approximate to the rate prevailing on the date they occur or accrue. All exchange differences resulting from the application of these principles are included in the consolidated income statement.

The Group considers that monetary long-term receivables or loans for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. The related foreign exchange differences and income tax effect of the foreign exchange differences are included in the foreign currency translation reserve within equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is reclassified to the income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The assets and liabilities of consolidated foreign operations are translated into euro at the year-end exchange rates, while the income and expense items of these foreign operations are translated at the average exchange rate of the year. The related foreign exchange differences are included in the foreign currency translation reserve within equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is reclassified to the income statement as part of the gain or loss on disposal.

The U.S. dollar exchange rates used by the Group during the year were as follows:

1 euro =	**Average rate for 2014**	**Closing rate for 2014**	Average rate for 2013	Closing rate for 2013
USD	**1.3348**	**1.2141**	1.3259	1.3791

Basic and diluted earnings per share

The Company's capital structure consists of Class A and Class B shares, entitled to the payment of annual dividends as approved by the shareholders at their annual meetings. Holders of Class B shares participate in earnings and are entitled to 40% of the dividends payable per Class A share. Basic and diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of common shares outstanding during the period as adjusted to reflect the economic rights of each class of shares. Diluted earnings per share are also adjusted for the effects of dilutive shares and options.

Derivative financial instruments and hedging

The Group recognises all derivatives at fair value in the statement of financial position. Changes in the fair value of derivatives are recorded in the income statement or in accordance with the principles below where hedge accounting is applied. The Group may use derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with foreign currency and interest rate fluctuations. On the date a hedging derivative instrument is entered into, the Group designates the derivative as one of the following:

1) a hedge of the fair value of a recognised asset or liability or of an unrecognised firm commitment (fair value hedge);
2) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognised asset or liability (cash flow hedge); or
3) a hedge of a net investment in a foreign operation.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

1) Fair value hedges
   In relation to fair value hedges (for example interest rate swaps on fixed-rate debt), any gain or loss from remeasuring the hedging instrument at fair value is recognised immediately in the income statement as finance income or cost. The gain or loss relating to the ineffective portion of the hedge instrument is recognised in the income statement within finance costs.
2) Cash flow hedges
   In relation to cash flow hedges (forward foreign currency contracts and interest rate swaps on floating-rate debt) – to hedge firm commitments or forecasted transactions, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity as other comprehensive income and the ineffective portion is recognised in the income statement as finance income or cost. When the hedged commitment results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in equity are included in the initial measurement of the acquisition cost or carrying amount of the asset or liability.

3) Hedge of a net investment in a foreign operation

   Changes in the fair value of a derivative or non-derivative instrument that is designated as a hedge of a net investment are recorded in the foreign currency translation reserve within equity to the extent that it is deemed to be an effective hedge. The ineffective portion is recognised in the income statement as finance income or cost.

   Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, the hedge no longer qualifies for hedge accounting, or the Group revokes the designation. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

The Group formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes allocating all derivatives that are designated as fair value hedges, cash flow hedges or net investment hedges to specific assets and liabilities in the statement of financial position or to specific firm commitments or forecasted transactions. The Group also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. If it is determined that a derivative is not highly effective as a hedge, or if a derivative ceases to be a highly effective hedge, the Group will discontinue hedge accounting prospectively. The ineffective portion of hedge is recognised in profit or loss.

Derecognition of financial assets and liabilities

1) Financial assets

   A financial asset is derecognised where:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass- through’ arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either
  a) has transferred substantially all the risks and rewards of the asset, or
  b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of that asset.

  Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset continues to be recognised to the extent of the Group’s continuing involvement in it. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of the consideration that the Group could be required to repay.

  Where continuing involvement takes the form of a written and/or purchased option (including cash-settled options or similar provision) on the transferred asset, the extent of the Group’s continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group’s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2) Financial liabilities

   A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Accounting for pension obligations

The Company and certain subsidiaries operate defined benefit pension plans and/or defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income statement.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Equity-settled share-based payments schemes

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (‘equity-settled transactions’). The cost of equity-settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using a binomial model, further details are given in Note 22. In valuing equity-settled transactions, no account is taken of any non-market performance conditions, other than conditions linked to the price of the Company’s shares, if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 10).

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. For arrangements entered into prior to January 1, 2005, the date of inception is deemed to be January 1, 2005 in accordance with the transitional requirements of IFRIC 4.

Finance leases, which transfer to the Group substantially all risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair market value of the leased item or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged directly to expense. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are relevant for the Group and effective for annual periods beginning after January 1, 2014, and have not been early adopted in preparing these consolidated financial statements:

IFRS 9 Financial instruments

IFRS 9, ‘Financial instruments’, addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income and fair value through P&L. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in Other Comprehensive Income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ‘hedged ratio’ to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after January 1, 2018. This standard has not yet been endorsed by the European Union. Early adoption is permitted. The Group is yet to assess IFRS 9’s full impact.

IAS 19 Employee benefits (Revised) - Amendments to IAS 19 (Revised)

This amendment clarifies the application of IAS19, ‘Employee Benefits’ (2011) – referred to as IAS19 Employee Benefits (revised), to plans that require employees or third parties to contribute towards the cost of benefits. The amendment clarifies that the benefit of employee contributions linked to the length of services is recognised in profit or loss over the employee’s working life. Contributions that are not linked to service are reflected in the measurement of the benefit obligation. The amendment does not affect the accounting for voluntary contributions. The Group does not expect this amendment to have a material impact and intends to adopt from January 2015.

IFRS 15 Revenue from contracts with customers

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. This standard has not yet been endorsed by the European Union. The Group is currently assessing the impact of IFRS 15.

As part of its annual improvement project, the IASB slightly amended various standards. The improvements 2013 and 2014 focus on areas of inconsistencies in IFRSs or where clarification of wording was required. The effective date of these amendments is July 1, 2015. The Group does not expect any significant impact of these amendments on its consolidated financial statements. These amendments have not yet been adopted by the European Union.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Note 3 – Interest in a joint venture

There are no joint ventures owned by the Group as at December 31, 2014.

On December 13, 2013, the Group disposed of its 50% interest in Solaris Mobile Limited and recorded a gain on sale of EUR 12.4 million disclosed under "Share of joint ventures and associates' result, net of tax" in the consolidated income statement.

The share of assets, liabilities, income and expenses of the joint venture as at the date of disposal and for the period then ended, which is included in the consolidated financial statements, is as follows:

In millions of euros	2013
Non-current assets	**2.0**
Current assets	**1.5**
Non-current liabilities	**–**
Current liabilities	**0.3**
Revenue	**–**
Other income	**–**
Operating expenses	**(1.6)**
Depreciation and amortisation	**(0.1)**
Finance income, net	**–**
Net loss	**(1.7)**

Note 4 – Operating segment

The Group does business in one operating segment, namely the provision of satellite-based data transmission capacity, and ancillary services, to customers around the world.

The Executive Committee, which is the most senior chief operating decision-making committee in the Group's corporate governance structure, reviews the Group's financial reporting and generates those proposals for the allocation of the Group's resources which are submitted to the Board of Directors. The main sources of financial information used by the Executive Committee in assessing the Group's performance and allocating resources are:

- Analyses of Group revenues including the allocation of revenues between the geographical downlink regions;
- Overall Group profitability development at the operating and non-operating level;
- Internal and external analysis of expected future developments in the markets into which capacity is being delivered and of the commercial landscape applying to those markets.

The level of integration of the Group's infrastructure operations has lead Management to conclude that there is only one cash generating unit to which the goodwill and other indefinite-life intangibles are allocated for impairment test purposes.

When analysing the performance of the operating segment the comparative prior year figures are recomputed using the exchange rates applying for each month in the current period. These prior year figures are being presented at ‘constant FX’.

The segment's financial results for 2014 and 2013 are set out below.

In millions of euros	**2014**	Constant FX 2013	Change Favourable + / Adverse
Revenue	**1,919.1**	1,844.9	+4.0%
Operating expenses	**(491.1)**	(485.0)	-1.3%
EBITDA	**1,428.0**	1,359.9	+5.0%
EBITDA margin (%)	**74.4%**	73.7%	+0.7% pts
Depreciation	**(491.6)**	(464.0)	-5.9%
Amortisation	**(53.8)**	(48.0)	-12.3%
Operating profit	**882.6**	**847.9**	+4.1%

In millions of euros	**2013**	Constant FX 2012	Change Favourable + / Adverse -
Revenue	**1,862.5**	1,801.6	+3.4%
Operating expenses	**(497.8)**	(473.7)	-5.1%
EBITDA	**1,364.7**	1,327.9	+2.8%
EBITDA margin (%)	**73.3%**	73.7%	-0.4% pts
Depreciation	**(466.5)**	(505.9)	+7.8%
Amortisation	**(47.0)**	(40.5)	-16.0%
Operating profit	**851.2**	**781.5**	+8.9%

At constant FX, the revenue allocated to the relevant downlink region developed as follows:

In millions of euros	**2014**	2013	Change Favourable + / Adverse -
Europe	**1,017.7**	933.1	+9.1%
North America	**341.7**	395.0	-13.5%
International	**559.7**	516.8	+8.3%
Total	**1,919.1**	1,844.9	+4.0%

The Group's revenues from external customers is also analysed between the Infrastructure and Services elements. Sales between the two, mainly sales of Infrastructure capacity to Services businesses, are eliminated on consolidation.

2014 *In millions of euros*	**Infra-structure**	**Services**	**Elim. / unalloc.**	Total
Revenue	1,643.3	455.7	(179.9)	1,919.1

2013 *In millions of euros*	**Infra-structure**	**Services**	**Elim. / unalloc.**	Total
Revenue	1,591.0	432.5	(161.0)	1,862.5

The Group's revenues from external customers analysed by country using the customer's billing address is as follows:

In millions of euros	**2014**	2013
Luxembourg (SES country of domicile)	**38.4**	38.0
United States of America	**489.4**	513.3
Germany	**397.3**	336.6
United Kingdom	**294.9**	297.3
France	**153.0**	98.3
Others	**546.1**	579.0
Total	**1,919.1**	1,862.5

No single customer accounted for 10% or more of total revenue in 2014 or 2013.

The Group's property, plant and equipment and intangible assets are located as set out in the following table. Note that satellites are allocated to the country where the legal owner of the asset is incorporated. Similarly orbital slot rights and goodwill balances are allocated to the attributable subsidiary.

In millions of euros	**2014**	2013
Luxembourg (SES country of domicile)	**2,432.3**	2,274.7
United States of America	**2,760.3**	2,547.4
The Netherlands	**1,381.4**	1,226.8
Isle of Man	**1,145.4**	961.1
Sweden	**250.0**	282.2
Others	**364.3**	311.6
Total	**8,333.7**	7,603.8

Note 5 – Operating expenses

The operating expense categories disclosed include the following types of expenditure:

1) Cost of sales (excluding staff costs and depreciation) represents cost categories which generally vary directly with revenue. Such costs include the rental of third-party satellite capacity, customer support costs, such as uplinking and monitoring, and other cost of sales which include the cost of equipment rental or purchased for integration and resale, largely as part of SES Services offerings.

In millions of euros	**2014**	2013
Costs associated with European Services business	**(92.7)**	(81.1)
Rental of third-party satellite capacity	**(39.3)**	(59.8)
Customer support costs	**(13.4)**	(14.4)
Other cost of sales	**(28.1)**	(24.3)
Total cost of sales	**(173.5)**	(179.6)

2) Staff costs in the amount of EUR 194.5 million (2013: EUR 185.8 million) include gross salaries and employer's social security payments, payments into pension schemes for employees, and charges arising under share-based payment schemes. At the year end the total full-time equivalent members of staff is 1,237 (2013: 1,237).

3) Other operating expenses in the amount of EUR 123.1 million (2013: EUR 132.4 million) are by their nature less variable to revenue development. Such costs include facility costs, in-orbit insurance costs, marketing expenses, general and administrative expenditure, consulting charges, travel-related expenditure and movements in provisions for debtors.

Note 6 – Audit and non-audit fees

For the year ended December 31, the Group has recorded charges – both billed and accrued – from its independent auditor and affiliated companies thereof, as set out below:

In millions of euros	**2014**	2013
Fees for statutory audit of annual and consolidated accounts	**1.5**	1.5
Fees charged for other assurance services	**0.2**	0.2
Fees charged for tax services	**0.4**	0.6
Fees charged for other non-audit services	**0.2**	0.2
Total audit and non-audit fees	**2.3**	2.5

Note 7 – Finance income and costs

In millions of euros	**2014**	2013
Finance income		
Interest income	**13.2**	5.3
Net foreign exchange gains	**20.6**	4.3
Total	**33.8**	9.6
Finance costs		
Interest expenses on loans and borrowings (net of amounts capitalised)	**(189.9)**	(174.6)
Value adjustments on financial assets	**1.1**	(8.5)
Total	**(188.8)**	(183.1)

Net foreign exchange gains mostly relates to revaluation of USD denominated bank accounts and deposits.

Note 8 – Income taxes

Taxes on income comprise the taxes paid or owed in the individual countries, as well as deferred taxes. Current and deferred taxes can be analysed as follows:

In millions of euros	**2014**	2013
Consolidated income statement		
Current income tax		
Current income tax charge	**(141.5)**	(95.2)
Adjustments in respect of prior periods	**9.6**	18.9
Foreign withholding taxes	**(11.0)**	(8.3)
Total current income tax	**(142.9)**	(84.6)
Deferred income tax		
Relating to origination and reversal of temporary differences	**54.8**	(8.4)
Relating to tax losses brought forward	**7.8**	6.8
Changes in tax rate	**7.0**	5.9
Adjustment of prior years	**(11.9)**	(7.2)
Total deferred income tax	**57.7**	(2.9)
Income tax income/(expense) per consolidated income statement	**(85.2)**	(87.5)
Consolidated statement of changes in equity		
Current and Deferred Income tax related to items (charged) or credited directly in equity		
Post-employment benefit obligation	**1.8**	(1.3)
Impact of currency translation	**13.0**	3.8
Investment hedge	**67.3**	(13.7)
Cash flow hedge	**-**	0.5
Current and Deferred Income taxes reported in equity	**82.1**	(10.7)

A reconciliation between the income tax expense and the profit before tax of the Group multiplied by a theoretical tax rate of 29.97% (2013: 29.97%) which corresponds to the Luxembourg domestic tax rate for the year ended December 31, 2014 is as follows:

In millions of euros	**2014**	2013
Profit before tax from continuing operations	**727.6**	677.7
Multiplied by theoretical tax rate of 29.97%	**218.0**	203.1
Effect of different foreign tax rates	**(48.9)**	(65.1)
Investment tax credits	**(13.6)**	(35.7)
Tax exempt income	**(17.7)**	(11.3)
Non deductible expenditures	**1.7**	3.9
Taxes related to prior years	**(4.1)**	12.4
Effect of changes in tax rate	**(8.0)**	(4.6)
Recognition of deferred tax asset on temporary differences related to prior years	**(49.6)**	(6.8)
Group tax provision related to current year	**50.4**	8.4
Reversal of Group tax provision related to prior years	**(24.6)**	(22.0)
Extra-Territorial Income exclusion benefit	**(26.2)**	-
Foreign withholding taxes	**11.0**	**8.3**
Other	**(3.2)**	(3.1)
Income tax reported in the consolidated income statement	**85.2**	87.5

In 2014 a deferred tax asset has been recognized in respect of the transfer of the HD+ business from Luxembourg to Germany in 2013, as management now believes that there is sufficient certainty that future taxable profits will be available to utilize this deferred tax asset. This is recorded under the line item 'Recognition of deferred tax asset on temporary differences related to prior years' in the table above.

In 2014 an Extra-Territorial Income ("ETI") exclusion benefit related to prior years has been booked under a U.S. federal export incentive provision. Whilst the final ETI benefit that the Group is able to claim is still being assessed, an amount of tax income of EUR 26.2 million was recognised in 2014 representing the element of the expected outcome which was sufficiently substantiated at the time of issuing the financial statements.

The increase in the Group tax provision reflects mainly potential liabilities in connection with withholding taxes and arising in connection with intra-Group distributions.

The accounts related to deferred taxes included in the consolidated financial statements can be analysed as follows:

In millions of euros	**Deferred tax assets 2014**	Deferred tax assets 2013	**Deferred tax liabilities 2014**	Deferred tax liabilities 2013	**Deferred tax in income 2014**	Deferred tax in income 2013
Losses carried forward	**15.2**	11.8	–	–	**3.4**	(56.7)
Tax credits	**56.8**	103.1	–	–	**(46.3)**	19.6
Intangible assets	**48.9**	–	**252.7**	233.6	**29.8**	21.2
Tangible assets	–	–	**390.4**	403.2	**12.8**	54.3
Employee benefits	**14.1**	14.7	–	–	(0.5)	1.8
Measurement of financial assets and derivatives	**0.1**	–	**18.6**	18.7	**0.2**	(0.1)
Receivables	**9.8**	3.6	–	–	**6.2**	4.0
Tax-free reserves	–	–	**2.4**	3.7	**1.3**	(3.7)
Other provisions and accruals	**0.5**	0.4	**25.0**	11.6	**(10.9)**	4.5
Foreign exchange impact[1]					**61.7**	(47.8)
Total deferred tax as per consolidated income statement	**145.4**	133.6	**689.1**	670.8	**57.7**	(2.9)
Measurement of financial instruments	1.0	1.0	12.1	12.1	–	(13.2)
Employee benefits	0.5	–	–	1.3	**1.8**	(1.3)
Subtotal	**146.9**	134.6	**701.2**	684.2	**59.5**	(17.4)
Offset of deferred taxes	**(24.7)**	(38.9)	**(24.7)**	(38.9)	**-**	–
Total	**122.2**	95.7	**676.5**	645.3	**59.5**	(17.4)

[1] A foreign exchange impact arises due to the translation of Group's operations with a different functional currency than Euro.

Deferred tax assets have been offset against deferred tax liabilities where they relate to the same taxation authority and the entity concerned has a legally enforceable right to set off current tax assets against current tax liabilities.

In addition to the tax losses for which the Group recognised deferred tax assets, the Group has no tax losses as at December 31, 2014 (2013: EUR 1.6 million) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries that are not expected to generate taxable profits against which these losses could be offset in the foreseeable future.

No deferred income tax liabilities has been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Such amounts are permanently reinvested or not subject to taxation.

Note 9 – Components of other comprehensive income

In millions of euros	**2014**	2013
Impact of currency translation	**588.6**	(235.0)
Income tax effect	**13.0**	3.8
Total impact of currency translation, net of tax	**601.6**	(231.2)

The impact of currency translation in other comprehensive income relates to exchange gains or losses arising on the translation of the results of foreign operations from their functional currency to euro, which is the Company's functional and presentation currency. The assets and liabilities of consolidated foreign operations are translated into euro at the year-end exchange rates, while the income and expense items of these foreign operations are translated at the average exchange rate of the year.

The significant income in the year reflects the impact on the valuation of SES's net U.S. dollar assets of the strengthening of the U.S. dollar against the Euro from 1.3791 to 1.2141. The loss in 2013 reflects the correspondingly adverse impact of the weakening of the U.S. dollar against the Euro from 1.3194 to 1.3791. This effect is partially offset by the net investment hedge (Note 19).

Note 10 – Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders of each class of shares by the weighted average number of shares outstanding during the year as adjusted to reflect the economic rights of each class of share. Earnings per share calculated on a fully diluted basis is insignificantly different from the basic earnings per share.

For the year 2014, earnings per share of EUR 1.49 per A share (2013: EUR 1.41), and EUR 0.59 per B share (2013: EUR 0.56) have been calculated on the following basis:

In millions of euros	**2014**	2013
Profit attributable to owners of the parent	**600.8**	566.5

Weighted average number of shares, net of own shares held, for the purpose of calculating earnings per share:

	2014	2013
Class A shares (in million)	**336.8**	335.1
Class B shares (in million)	**168.8**	168.8
Total	**505.6**	503.9

The weighted average number of shares is based on the capital structure of the Company as described in Note 21.

Note 11 – Dividends paid and proposed

Dividends declared and paid during the year:

In millions of euros	**2014**	2013
Class A dividend (2013: EUR 1.07, 2012: EUR 0.97)	**361.2**	327.5
Class B dividend (2013: EUR 0.43, 2012: EUR 0.39)	**72.3**	65.5
Total	**433.5**	393.0

Dividends proposed for approval at the annual general meeting to be held on April 2, 2015, which are not recognised as a liability as at December 31, 2014:

In millions of euros	**2014**	2013
Class A dividend for 2014: EUR 1.18	**398.4**	361.2
Class B dividend for 2014: EUR 0.47	**79.6**	72.3
Total	**478.0**	433.5

Dividends are paid net of any withholding tax.

Note 12 – Property, plant and equipment

In millions of euros	Land and buildings	Space segment	Ground segment	Other fixtures and fittings, tools and equipment	Total
Cost					
As at January 1, 2013	**186.2**	**8,299.3**	**371.9**	**147.6**	**9,005.0**
Additions	1.1	9.7	12.5	7.8	31.1
Disposals	(0.1)	(0.7)	(5.0)	(4.5)	(10.3)
Retirements	(0.4)	(0.5)	(0.1)	(0.3)	(1.3)
Transfers from assets in course of construction (Note 13)	–	266.0	46.0	–	312.0
Transfer	–	–	–	(30.7)	(30.7)
Impact of currency translation	(1.8)	(245.7)	(13.1)	(2.4)	(263.0)
As at December 31, 2013	**185.0**	**8,328.1**	**412.2**	**117.5**	**9,042.8**
Depreciation					
As at January 1, 2013	**(108.7)**	**(4,480.9)**	**(278.5)**	**(99.8)**	**(4,967.9)**
Depreciation	(6.8)	(422.0)	(31.7)	(6.0)	(466.5)
Depreciation on disposals	0.1	0.7	5.0	1.9	7.7
Depreciation on retirements	0.2	0.5	–	0.3	1.0
Transfer	–	–	–	9.1	9.1
Impact of currency translation	1.0	111.7	6.7	2.1	121.5
As at December 31, 2013	**(114.2)**	**(4,790.0)**	**(298.5)**	**(92.4)**	**(5,295.1)**
Net book value as at December 31, 2013	**70.8**	**3,538.1**	**113.7**	**25.1**	**3,747.7**

In millions of euros	Land and buildings	Space segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Cost					
As at January 1, 2014	**185.0**	**8,328.1**	**412.2**	**117.5**	**9,042.8**
Additions	2.6	4.3	13.5	18.5	38.9
Disposals	(0.2)	(0.1)	–	–	(0.3)
Retirements	–	(215.1)*	(14.9)	–	(230.0)
Transfers from assets in course of construction (Note 13)	21.2	697.6**	20.9	4.4	744.1
Transfer	–	–	–	(9.5)	(9.5)
Impact of currency translation	7.9	637.3	14.0	6.5	665.7
As at December 31, 2014	**216.5**	**9,452.1**	**445.7**	**137.4**	**10,251.7**
Depreciation					
As at January 1, 2014	**(114.2)**	**(4,790.0)**	**(298.5)**	**(92.4)**	**(5,295.1)**
Depreciation	(6.1)	(448.8)	(27.6)	(9.1)	(491.6)
Disposals	0.2	–	–	–	0.2
Retirements	–	215.1*	14.4	–	229.5
Transfer	–	–	–	6.8	6.8
Impact of currency translation	(4.2)	(341.3)	(12.1)	(2.3)	(359.9)
As at December 31, 2014	**(124.3)**	**(5,365.0)**	**(323.8)**	**(97.0)**	**(5,910.1)**
Net book value as at December 31, 2014	**92.2**	**4,087.1**	**121.9**	**40.4**	**4,341.6**

* The following satellites have been fully retired during 2014: Astra 1C, NSS 703

** The following satellites have been launched and became operational during 2014: ASTRA 2E, SES-8, and Astra 5B. Astra 2G was launched in 2014.

Note 13 – Assets in the course of construction

In millions of euros	Land and Buildings	Space segment	Ground Segment	Fixtures, tools & Equipment and intangible assets	Total
Cost and net book value as at January 1, 2013	**9.1**	**980.6**	**60.6**	**–**	**1,050.3**
Movements in 2013					
Additions	8.6	317.8	19.2	29.4	375.0
Transfers to assets in use (Note 12)	–	(266.0)	(46.0)	–	(312.0)
Transfer	–	(2.2)	–	–	(2.2)
Disposals	–	–	(0.2)	(0.2)	(0.4)
Impact of currency translation	–	(9.5)	(1.1)	(0.3)	(10.9)
Cost and net book value as at December 31, 2013	**17.7**	**1,020.7**	**32.5**	**28.9**	**1,099.8**

In millions of euros	Land and Buildings	Space segment	Ground segment	Fixtures, tools & Equipment and intangible assets	Total
Cost and net book value as at January 1, 2014	**17.7**	**1,020.7**	**32.5**	**28.9**	**1,099.8**
Movements in 2014					
Additions	3.8	262.1	16.0	28.0	309.9
Transfers to assets in use (Note 12, 14)	(21.2)	(697.6)	(20.9)	(19.9)	(759.6)
Transfer	–	0.1	0.2	--	0.3
Disposals	–	–	(0.8)	–	(0.8)
Impact of currency translation	(0.1)	32.1	1.4	1.8	35.2
Cost and net book value as at December 31, 2014	**0.2**	**617.4**	**28.4**	**38.8**	**684.8**

Borrowing costs of EUR 23.7 million (2013: EUR 41.1 million) arising from financing specifically relating to the satellite construction were capitalised during the year and are included in additions to 'Space segment' in the above table.

A weighted average capitalisation rate of 4.33% (2013: 4.37%) was used, representing the Group's average weighted cost of borrowing. Excluding the impact of the loan origination costs the average weighted interest rate was 3.95% (2013: 4.13%).

Note 14 – Intangible assets

In millions of euros	Orbital slot licence rights	Goodwill	Definite life intangibles	Total
Cost				
As at January 1, 2013	**759.0**	**1,802.1**	**769.6**	**3,330.7**
Additions	5.3	–	0.6	5.9
Impairment Glocom (1)	–	(3.0)	(2.9)	(5.9)
Transfers	–	–	30.7	30.7
Impact of currency translation	(30.7)	(81.3)	(5.0)	(117.0)
As at December 31, 2013	**733.6**	**1,717.8**	**793.0**	**3,244.4**
Amortisation				
As at January 1, 2013	**–**	**–**	**(454.7)**	**(454.7)**
Amortisation	–	–	(34.2)	(34.2)
Impairment Glocom (1)	–	–	2.2	2.2
Transfers to	–	–	(9.1)	(9.1)
Impact of currency translation	–	–	1.7	1.7
As at December 31, 2013	**–**	**–**	**(494.1)**	**(494.1)**
Book value as at December 31, 2013	**733.6**	**1,717.8**	**298.9**	**2,750.3**

In millions of euros	Orbital slot licence rights	Goodwill	Definite life intangibles	Total
Cost				
As at January 1, 2014	**733.6**	**1,717.8**	**793.0**	**3,244.4**
Additions	89.8	10.9	169.8	270.5
Transfers from assets in course of construction (Note 13)	--		15.5	15.5
Transfers	–	–	9.5	9.5
Impact of currency translation	85.2	228.8	17.6	331.6
As at December 31, 2014	**908.6**	**1,957.5**	**1,005.4**	**3,871.5**
Amortisation				
As at January 1, 2014	**–**	**–**	**(494.1)**	**(494.1)**
Amortisation	–	–	(53.8)	(53.8)
Transfers			(6.8)	(6.8)
Impact of currency translation	–	–	(9.5)	(9.5)
As at December 31, 2014	**–**	**–**	**(564.2)**	**(564.2)**
Book value as at December 31, 2014	**908.6**	**1,957.5**	**441.2**	**3,307.3**

(1) Impairment has been recorded under "Amortisation expense" in the income statement.

As further set out in Note 30, SES has recognised additional intangible assets in 2014 reflecting the economic benefit generated through the clarification of the technical frequency coordination matters at the various orbital positions.

Indefinite-life intangible assets

The indefinite-life intangible assets as at December 31, 2014 have a net book value by cash-generating unit as shown below.

In millions of euros	**2014**		2013	
	Orbital slot licence rights	**Goodwill**	Orbital slot licence rights	Goodwill
SES Infrastructure operations	**908.6**	**1,905.0**	730.8	1,682.7
SES Platform Services	**–**	**35.9**	–	35.9
Others	**–**	**16.6**	2.8	4.5
Total	**908.6**	**1,957.5**	733.6	1,723.1

1) Orbital slot licence rights

Interests in orbital slot licence rights were acquired in the course of the acquisitions of the SES WORLD SKIES' entities and SES ASTRA AB, as well as through targeted acquisition of such rights from third parties. The Group believes that there is a high probability of being able to achieve the extension of these rights at no significant cost as and when the current agreements expire. Hence these assets are not amortised, but rather held in the statement of financial position at acquisition cost. Impairment procedures are performed at least once a year to assess whether the carrying value is still appropriate.

2) Goodwill

Impairment procedures are performed at least once a year to assess whether the carrying value of goodwill is still appropriate. The recoverable amount of the goodwill is determined based on a value-in-use calculation (Note 2) using the most recent business plan information approved by the Board of Directors which covers a period of up to seven years. This relatively long period for the business plan is derived from the long-term contractual basis for the satellite business.

Pre-tax discount rates in 2014 are between 6.06% and 8.38% (2013: 6.20% and 7.60% - comparatives adjusted to a comparable pre-tax basis) and were selected to reflect market interest rates and commercial spreads; the capital structure of businesses in the Group’s business sector; and the specific risk profile of the businesses concerned. Terminal growth rates used in the valuations are set at 2%, which reflect the most recent long-term planning assumptions approved by the Board and can be supported by reference to the trading performance of the companies concerned over a longer period.

Impairment testing of goodwill and intangibles with indefinite lives

The calculations of value in use are most sensitive to:

- movements in the underlying business plan assumptions for the satellites;
- changes in discount rates; and
- the growth rate assumptions used to extrapolate cash flows beyond the business plan period.

▪ **Movements in the underlying business plan assumptions:**

Business plans are drawn up annually and generally provide an assessment of the expected developments for a seven-year period beyond the end of the year when the plan is drawn up. These business plans reflect both the most up-to-date assumptions concerning the CGU’s markets and also developments and trends in the business of the CGU. For the provision of satellite capacity these will particularly take into account the following factors:

- the expected developments in transponder fill rates, including the impact of the replacement capacity;
- new products and services to be launched during the business plan period;
- any changes in the expected capital expenditure cycle – due to technical degradation of a satellite or through the identified need for replacement capacities; and

- any changes in satellite procurement, launch or cost assumptions.

- **Changes in discount rates:**

  Discount rates reflect management's estimate of the risks specific to each CGU. Management uses a pre-tax weighted average cost of capital as discount rate for each CGU. This reflects market interest rates of ten-year bonds in the market concerned, the capital structure of businesses in the Group's business sector, and other factors, as necessary, applying specifically to the CGU concerned.

- **Growth rate assumptions used to extrapolate cash flows beyond the business planning period:**
  - Rates are based on the commercial experience relating to the CGUs concerned and the expectations for developments in the markets which they serve.
  - As part of standard impairment testing procedures the Company assesses the impact of changes in the discount rates and growth assumptions of the valuation surplus, or deficit as the case may be. Both discount rates and terminal values are simulated up to 2% below and above the CGU's specific rate used in the base valuation. In this way a matrix of valuations is generated which reveals the potential exposure to impairment charges for each CGU based on movements in the valuation parameters which are within the range of outcomes foreseeable at the valuation date.
  - The most recent testing showed that the CGUs tested would have no impairment even in the least favourable case – a combination of lower terminal growth rates and higher discount rates. For this reason management believes that there is no combination of discount rates and terminal growth rates foreseeable at the valuation date which would result in the carrying value of indefinite-life intangible assets materially exceeding their recoverable amount. In addition to the changes in terminal growth rates and discount rates, no other reasonably possible change in another key assumption is expected to cause the CGU's carrying amounts to exceed their recoverable amount.

Definite life intangible assets

The Group's primary definite life intangible asset is the agreement concluded by SES ASTRA with the Luxembourg government in relation to the usage of Luxembourg frequencies in the orbital positions of the geostationary arc from 45˚ West to 50˚ East for the period of January 1, 2001 to December 31, 2021. Given the finite nature of this agreement, these usage rights – valued at EUR 550.0 million at the date of acquisition – are being amortised on a straight-line basis over the 21-year term of the agreement.

Note 15 – Investment in associates

O3b Networks

At December 31, 2014, SES has an equity interest of 44.75% in O3b Networks, compared to 46.85% at the end of 2013.

The carrying value of SES's equity interest in O3b Networks as at December 31, 2014 is EUR 93.0 million (2013: EUR 132.8 million), with the decrease reflecting mainly the Group's share of O3b Networks' net loss during the period. The equity investment includes a fair value of EUR 30.9 million in connection with the provision by the Group of funding to O3b Networks at conditions more favourable than market rates.

In July 2014, O3b Networks successfully launched satellites 5 to 8 of its Middle Earth Orbit constellation, followed by the launch of satellites 9 to 12 in December 2014. With these satellites in orbit, the full commercial services of O3b Networks are able to be commercialised.

During the year the company reached agreements with its shareholders and lenders on new financing arrangements, including an agreement with SES in April 2014 for a new Subordinated Shareholder Facility Agreement, and as such the level of uncertainty concerning the going concern of the investment has substantially reduced during 2014.

The Group's share of O3b Networks' assets, liabilities, income and expenses as at December 31, 2014 and 2013 and for the years then ended, which are included in the consolidated financial statements, are as follows:

In millions of euros	**2014**	2013
Non-current assets	**399.3**	367.7
Current assets	**122.2**	34.8
Non-current liabilities	**395.7**	238.2
Current liabilities	**24.0**	19.9
Revenue	**3.7**	0.2
Operating expenses	**(22.3)**	(15.1)
Depreciation and amortisation	**(10.3)**	(9.6)
Finance expense, net	**(11.0)**	(1.1)
Income tax	**-**	(0.2)
Net loss for the year	**(39.8)**	(25.8)
Other comprehensive income / (expenses)	**-**	-
Total comprehensive income	**(39.8)**	(25.8)
Dividends received from associate	**-**	-

As at December 31, 2014 and 2013, O3b Networks has no significant contingent liabilities. As at December 31, 2014, the Group's share in O3b Networks capital commitments, which mainly relate to satellites procurement costs, amounts to EUR 5.7 million (2013: EUR 41.0 million). The Group's share in O3b Networks' operating lease commitments is as follows:

In millions of euros	**2014**	2013
Operating lease commitments		
within one year	**1.5**	1.8
years 2-5	**3.4**	5.6
Thereafter	**0.5**	0.5
Total operating lease commitments	**5.4**	7.9

On December 31, 2014, like on December 31, 2013, the Group held no other significant investments in associates.

ND SatCom

On May 31, 2013, the Group disposed of its remaining 24.9% interest in ND SatCom and set off the amount receivable from ND SatCom against the final selling price. The investment in the Group’s interest in its 24.9% shareholding in ND SatCom was initially recorded at EUR 3.4 million. The share of losses taken for the ten-month period from March to December 2011 resulted in the Group’s interest being reduced to zero as at December 31, 2011.

The 24.9% share of assets, liabilities, income and expenses of ND SatCom as of and for the year ended December 31, 2013 and the share of income and expenses for the prior year period from January 1, 2013 to May 31, 2013 were as follows:

In millions of euros	**2014**	2013
Non-current assets	**--**	--
Current assets	**--**	--
Non-current liabilities	**--**	--
Current liabilities	**--**	--
Revenue	**--**	3.6
Operating expenses	**--**	(4.4)
Depreciation and amortisation	**--**	(0.3)
Finance expense, net	**--**	(0.1)
Share of associate		0.1
Net loss	**--**	(1.1)
Net loss attributed to associate	**--**	(3.1)

Note 16 – Other financial assets

In millions of euros	**2014**	2013
Amounts receivable from associates	**36.5**	2.7
Sundry financial assets	**0.9**	1.2
Total other financial assets	**37.4**	3.9

The 'Amounts receivable from associates' represents two loan facilities granted to O3b Networks, a "Contingent Equity" loan of USD16.0 million and a Subordinated Shareholder Facility Agreement ('SSFA') agreed with the SES Group in April 2014 for an amount of USD 53.2 million.

The "Contingent Equity" loan was drawn down by O3b Networks in 2013, with the SSFA facility being drawn in 2014. The SSFA facility replaced an (undrawn) Sales Underwrite facility in the amount of USD 50.0 million which had been agreed in a previous financing round.

Since the SSFA facility is provided on terms closer to market terms than the previous facility, an amount of EUR 9.5 million has been released through finance income in 2014.

At the year end the gross outstanding receivable amount from O3b Networks is EUR 58.0 million while its amortized cost is EUR 36.5 million.

Note 17 – Trade and other receivables

In millions of euros	**2014**	2013
Net trade debtors	**377.0**	355.9
Unbilled accrued revenue	**311.2**	223.5
Other receivables	**63.6**	72.7
Total trade and other receivables	**751.8**	652.1
Of which: Non-current	**60.3**	65.5
Of which: Current	**691.5**	586.6

Unbilled accrued revenue represents revenue for use of satellite capacity under long-term contracts but not billed. Billing will occur based on the terms of the contracts. There is a current and non-current portion for unbilled accrued revenue. The non-current portion amounts to EUR 60.3 million (2013: EUR 65.5 million).

An amount of EUR 17.3 million was expensed in 2014 reflecting an increase in the debtor's provisions (2013: EUR 9.2 million). This amount is recorded in 'Other operating charges'. As at December 31, 2014, trade receivables with a nominal amount of EUR 37.2 million (2013: EUR 17.7 million) were impaired and fully provided for. Movements in the provision for the impairment of receivables

were as follows:

In millions of euros	**2014**	2013
As at January 1	**17.7**	19.0
Increase in debtor's provision for the year	**17.3**	9.2
Utilised	**(0.2)**	(10.1)
Impact of currency translation	**1.6**	(0.4)
Other movements	**0.8**	--
As at December 31	**37.2**	17.7

Note 18 – Financial instruments

Fair value estimation and hierarchy

The Group uses the following hierarchy levels for determining the fair value of financial instruments by valuation technique:

1) Quoted prices in active markets for identical assets or liabilities (Level 1);
2) Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly (Level 2);
3) Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (Level 3).

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's-length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

There were no financial assets or liabilities that are measured at fair value at December 31, 2014. The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2013.

As at December 31, 2013

Assets *(in millions of euros)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives used for hedging				
- Cross-currency swap	-	9.5	-	9.5
Total assets	**-**	**9.5**	**-**	**9.5**

A change in the Group's credit default rate by +/- 5% would only marginally impact profit and loss.

Set out below is an analysis of financial derivatives by category:

	December 31, 2014		December 31, 2013	
In millions of euros	**Fair value asset**	**Fair value liability**	Fair value asset	Fair value liability
Net investment hedges:	–	–	9.5	–
Cross currency swaps	–	–	9.5	–
Total valuation of financial derivatives	–	–	9.5	–
Of which: Non-current	–	–	–	–
Of which: Current	–	–	9.5	–

Fair values

The fair value of the loans and borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates except for the listed Eurobonds for which the quoted market price has been used. The fair value of foreign currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of the interest rate swap contracts is determined by reference to market values for similar instruments.

All loans and borrowings are measured at amortised cost.

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements.

As at December 31, 2014

In millions of euros	Fair value hierarchy	Carried at amortised cost Carrying amount	 Fair value	Carried at fair value Carrying amount	Total Balance Sheet
As at December 31, 2014					
Financial assets					
Non-current financial assets:					
Trade and other receivables		60.3	60.3	–	60.3
Loans and receivables		37.4	37.4	–	37.4
Total non-current financial assets		97.7	97.7	–	97.7
Current financial assets:					
Trade and other receivables		691.5	691.5	–	691.5
Cash and cash equivalents		524.5	524.5	–	524.5
Total current financial assets		1,216.0	1,216.0	–	1,216.0
Financial liabilities					
Loans and borrowings:					
At floating rates:					
Syndicated loan 2020*	2	–	–	–	–
COFACE	2	406.4	406.4		406.4
At fixed rates:					
Eurobond 2018 (EUR 500 million)	2	494.1	518.8	–	494.1
US Bond 2019 (USD 500 million)	2	403.1	401.2	–	403.1
Eurobond 2020 (EUR 650 million)	2	646.2	770.2	–	646.2
Eurobond 2021 (EUR 650 million)	2	645.6	792.7	–	645.6
US Bond 2023 (USD 750 million)	2	610.1	620.2	–	610.1
US Bond 2043 (USD 250 million)	2	203.4	225.1	–	203.4
US Bond 2044 (USD 500 million)	2	403.1	453.0	–	403.1
US Private Placement Series B (USD 513 million)	2	84.5	87.4	–	84.5
US Private Placement Series C (USD 87 million)	2	71.7	74.2	–	71.7
US Ex-Im	2	79.0	79.9	–	79.0
German Bond 2032 (EUR 50 million), non-listed	2	49.8	60.7	–	49.8
Euro Private Placement 2016 (EUR 150 million) issued under EMTN	2	149.7	160.4	–	149.7
Euro Private Placement 2027 (EUR 140 million) issued under EMTN	2	139.4	168.8	–	139.4
European Investment Bank (EUR 200 million)	2	100.0	102.8	–	100.0
				–	
Total loans and borrowings:		**4,486.1**	**4,921.8**	**–**	**4,486.1**
Of which: Non-current		4,227.6	4,638.2	–	4,227.6
Of which: Current		258.5	283.6	–	258.5
Other long term liabilities		23.6	23.6	–	23.6
Trade and other payables		335.3	335.3	–	335.3

** As at December 31, 2014 no amount has been draw down under this facility. As a consequence, the remaining balance of loan origination cost of the Syndicated loan has been disclosed under prepaid expenses for an amount of EUR 5.3 million*

As at December 31, 2013

In millions of euros	Fair value hierarchy	Carried at amortised cost Carrying amount	Fair value	Carried at fair value Carrying amount	Total Balance Sheet
As at December 31, 2013					
Financial assets					
Non-current financial assets:					
Trade and other receivables		65.5	65.5	–	65.5
Loans and receivables		3.9	3.9	–	3.9
Total non-current financial assets		69.4	69.4	–	69.4
Current financial assets:					
Trade and other receivables		586.6	586.6	–	586.6
Derivatives		–	–	9.5	9.5
Cash and cash equivalents		544.2	544.2	–	544.2
Total current financial assets		1,130.8	1,130.8	9.5	1,140.3
Financial liabilities					
Loans and borrowings:					
At floating rates:					
Syndicated loan 2015*	2	–	–	–	–
COFACE	2	429.7	429.7	–	429.7
At fixed rates:					
Eurobond 2014 (EUR 650 million)	2	649.5	663.3	–	649.5
Eurobond 2018 (EUR 500 million)	2	493.7	490.9	–	493.7
Eurobond 2020 (EUR 650 million)	2	645.5	724.8	–	645.5
Eurobond 2021 (EUR 650 million)	2	644.9	730.9	–	644.9
US Bond 2023 (USD 750 million)	2	537.6	502.4	–	537.6
US Bond 2043 (USD 250 million)	2	179.3	167.3	–	179.3
US Private Placement Series B (USD 513 million)	2	148.8	153.3	–	148.8
US Private Placement Series C (USD 87 million)	2	63.1	67.6	–	63.1
US Ex-Im	2	81.9	82.7	–	81.9
German Bond 2032 (EUR 50 million), non-listed	2	49.8	48.5	–	49.8
Euro Private Placement 2016 (EUR 150 million) issued under EMTN	2	149.5	161.2	–	149.5
Euro Private Placement 2027 (EUR 140 million) issued under EMTN	2	139.3	142.0	–	139.3
European Investment Bank (EUR 200 million)	2	133.3	137.0	–	133.3
Total loans and borrowings:		4,345.9	4,501.6	–	4,345.9
Of which: Non-current		3,542.2	3,668.9	–	3,542.2
Of which: Current		803.7	832.7	–	803.7
Other long term liabilities		59.7	59.7	–	59.7
Trade and other payables		341.4	341.4	–	341.4

* *As at December 31, 2013 no amount has been draw down under this facility. As a consequence, the remaining balance of loan origination cost of the Syndicated loan has been disclosed under prepaid expenses for an amount of EUR 7.0 million*

Note 19 – Financial risk management objectives and policies

The Group’s financial instruments, other than derivatives, comprise a syndicated loan, Eurobonds, U.S. dollar Bonds (144A), EUR Private Placement, German Bonds, European Investment Bank loan, borrowings under a Private Placement issue, euro-denominated commercial papers, drawings under Coface and Export-Import Bank of the United States ('US Ex-Im') for specified satellites under construction, cash and short-term deposits. The main purpose of these financial instruments is to raise cash to finance the Group’s day-to-day operations as well as for other general business purposes. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, principally forward currency contracts, in order to manage exchange rate exposure on the Group’s assets, liabilities and finance operations.

The main risks arising from the Group’s financial instruments are liquidity risks, foreign currency risks, interest rate risks and credit risks. The general policies are periodically reviewed and approved by the board.

The Group’s accounting policies in relation to derivatives and other financial instruments are set out in Note 2.

Liquidity risk

The Group’s objective is to efficiently use cash generated so as to maintain short-term debt and bank loans at a low level. In case of liquidity needs, the Group can call on uncommitted loans and a committed syndicated loan. In addition, if deemed appropriate based on prevailing market conditions, the Group can access additional funds through the European Medium-Term Note or commercial paper programmes. The Group’s debt maturity profile is tailored to allow the Company and its subsidiaries to cover repayment obligations as they fall due.

Financial covenants as committed in certain debt instruments are monitored periodically where the related financial ratios that need to be upheld are measured and internally reported on a regular basis. The most actively monitored covenant is the Net Debt /EBITDA ratio that is reviewed at least once a month and includes both, backward-looking data reconciliation as well as forward-looking projections including its sensitivity to future foreign currency movements. The Group operates a centralised treasury function which manages, among others, the liquidity of the Group in order to optimise the funding costs. This is supported by a daily cash pooling mechanism.

Liquidity is monitored on a daily basis through a review of cash balances, the drawn and issued amounts and the availability of additional funding under committed credit lines, the two commercial paper programmes and the EMTN Programme (EUR 4,610.0 million as at December 31, 2014, EUR 4,029.9 million as at December 31, 2013, more details in Note 23).

The table below summarises the projected contractual undiscounted cash flows (nominal amount plus interest charges) based on the maturity profile of the Group’s interest-bearing loans and borrowings as at December 31, 2014 and 2013. The interest assumption for all floating debts is based on the interest rate of the last drawing.

In millions of euros	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at December 31, 2014:				
Loans and borrowings	258.5	1,404.4	2,874.5	4,537.4
Future interest commitments	173.2	594.0	1,036.4	1,803.6
Trade and other payables	335.3	–	–	335.3
Other long term liabilities	–	23.6	–	23.6
Total maturity profile	**767.0**	**2,022.0**	**3,910.9**	**6,699.9**
As at December 31, 2013:				
Loans and borrowings	804.6	1,154.6	2,422.9	4,382.1
Future interest commitments	157.6	470.6	496.2	1,124.4
Trade and other payables	341.4	–	–	341.4
Other long term liabilities	–	59.7	–	59.7
Total maturity profile	**1,303.6**	**1,684.9**	**2,919.1**	**5,907.6**

Foreign currency risk

SES operates in markets outside of the Eurozone, with procurement and sales facilities in various locations throughout the world. Consequently, SES uses certain financial instruments to manage its foreign currency exposure. Derivative financial instruments principally are used to reduce the Group's exposure to market risks resulting from fluctuations in foreign exchange rates by creating offsetting exposures. SES is not a party to leveraged derivatives and, by policy, does not use derivative financial instruments for speculative purposes.

The Group has significant foreign operations whose functional currency is not denominated in euro. The primary currency exposure in terms of foreign operations is the U.S. dollar and the Group has designated certain U.S. dollar-denominated debt as net investment hedges of these operations. The Group also has a corresponding exposure in the Income Statement. Approximately 42.6% (2013: 46.1%) of the Group's sales and 40.5% (2013: 40.3%) of the Group's operating expenses are denominated in U.S. dollars. The Group does not enter into any hedging derivatives to cover these currency exposures.

The Group uses predominantly forward currency contracts to eliminate or reduce the currency exposure arising from individual capex projects, such as satellite procurements, tailoring the maturities to each milestone payment. The foreign currency risk might be in euro or U.S. dollar. The forward contracts are in the same currency as the hedged item and can cover up to 100% of the total value of the contract. It is the Group's policy not to enter into forward contracts until a firm commitment is in place, and to match the terms of the hedge derivatives to those of the hedged item to maximize effectiveness.

1) **Cash flow hedges in relation to contracted commitments for capital expenditure**

   At December 31, 2014 and 2013 the Group had no forward exchange contract outstanding designated as cash flow hedges.

   The USD portfolio was not hedged in 2013 and 2014, as a large number of the U.S. dollar denominated procurement projects are currently located in entities which have the U.S. dollar as their functional currency.

2) **Hedge of net investment in foreign operations**

   At December 31, 2014 and 2013, certain borrowings denominated in U.S. dollars were designated as hedges of the net investments in SES Americom, SES Holdings (Netherlands) BV, SES Satellite Leasing and SES Re International (Bermuda) to hedge the Group's exposure to foreign exchange risk on these investments. As at December 31, 2014, all designated net investment hedges were assessed to be highly effective and a total loss of EUR 158.6 million net of tax of EUR 67.3 million (2013: gain of EUR 32.1 million net of tax of EUR 13.7 million) is included in equity accounts. This includes realised gain of EUR 13.3 million on settlement of cross-currency swaps which were part of net investment hedge instruments (2013: realised loss of EUR 57.0 million).

The following table demonstrates the hedged portion of USD statement of financial position exposure:

	December 31, 2014 in USD	December 31, 2013 in USD
USD statement of financial position exposure:		
SES Americom	2,803.5	2,927.4
SES Holdings (NL) BV	1,608.7	1,655.7
SES Satellite Leasing	1,210.5	1,137.0
SES Re International (Bermuda)	24.0	90.1
Total	**5,646.7**	**5,810.2**
Hedged with:		
Foreign exchange derivatives (cross-currency swaps excluding interest)	-	537.6
Private Placement	189.6	292.2
US Bonds	2,000.0	1,000.0
Other external borrowings	98.5	116.4
Total	**2,288.1**	**1,946.2**
Hedged proportion	**41%**	**33%**

The following table demonstrates the sensitivity to a +/- 20% change in the U.S. dollar exchange rate on the nominal amount of the Group's U.S. dollar net investment, with all other variables held constant. All value changes are eligible to be recorded in other comprehensive account with no impact on profit and loss.

December 31, 2014	Amount in USD million	Amount in euro at closing rate of 1.2141 EUR million	Amount in euro at rate of 1.4600 EUR million	Amount in euro at rate of 0.9700 EUR million
USD statement of financial position exposure:				
SES Americom	2,803.5	2,309.1	1,920.2	2,890.2
SES Holdings (NL) BV	1,608.7	1,325.0	1,101.8	1,658.5
SES Satellite Leasing	1,210.5	997.0	829.1	1,247.9
SES Re International (Bermuda)	24.0	19.8	16.4	24.7
Total	**5,646.7**	**4,650.9**	**3,867.5**	**5,821.3**
Hedged with:				
Private Placement	189.6	156.2	129.9	195.5
US Bonds	2,000.0	1,647.3	1,369.9	2,061.9
Other external borrowings	98.5	81.1	67.5	101.5
Total	**2,288.1**	**1,884.6**	**1,567.3**	**2,358.9**
Hedged proportion	**41%**			
Absolute difference without hedging			**(783.3)**	**1,170.4**
Absolute difference with hedging			**(465.9)**	**696.1**

December 31, 2013	Amount in USD million	Amount in euro at closing rate of 1.3791 EUR million	Amount in euro at rate of 1.6500 EUR million	Amount in euro at rate of 1.1000 EUR million
USD statement of financial position exposure:				
SES Americom	2,927.4	2,122.7	1,774.2	2,661.3
SES Holdings (NL) BV	1,655.7	1,200.6	1,003.5	1,505.2
SES Satellite Leasing	1,137.0	824.5	689.1	1,033.6
SES Re International (Bermuda)	90.1	65.3	54.6	81.9
Total	**5,810.2**	**4,213.1**	**3,521.4**	**5,282.0**
Hedged with:				
Cross currency swaps	537.6	389.8	325.8	488.7
Private Placement	292.2	211.9	177.1	265.6
US Bonds	1,000.0	725.1	606.1	909.1
Other external borrowings	116.4	84.4	70.5	105.8
Total	**1,946.2**	**1,411.2**	**1,179.5**	**1,769.2**
Hedged proportion	**33%**			
Absolute difference without hedging			**(691.7)**	**1,069.0**
Absolute difference with hedging			**(460.0)**	**710.9**

Interest rate risk

The Group's exposure to market interest rate risk relates primarily to the Group's debt portion at floating rates. In order to mitigate this risk, the Group is generally seeking to contract as much as possible of its debt outstanding at fixed interest rates, and is carefully monitoring the evolution of market conditions, adjusting the mix between fixed and floating rate debt if necessary. The Group had neither on December 31, 2014 nor on December 31, 2013 interest rate hedges outstanding.

The table below summarises the split of the nominal amount of the Group's debt between fixed and floating rate.

In millions of euros	At fixed rates	At floating rates	Total
Borrowings at December 31, 2014	**4,124.6**	**412.8**	**4,537.4**
Borrowings at December 31, 2013	3,944.7	437.4	4,382.1

During the year 2014 the Group repaid the EUR 650 million Eurobond, another amortisation tranche of EUR 33.3 million to the European Investment Bank, two amortisation tranches of the US Ex-Im facility for a total of USD 17.9 million and another amortisation tranche of the U.S. Private Placement in the amount of USD 102.6 million, which all represented fixed rate obligations.

Furthermore, during the year 2014 the Group repaid floating rate obligations of total EUR 33.9 million related to various Coface amortisation payments. In January 2014, SES successfully completed the closing of an update of the EUR 1.2 billion syndicated loan facility.

Finally, the Group concluded in March 2014 a fixed 144A bond offering of USD 1.0 billion of notes.

The following table demonstrates the sensitivity of the Group's pre-tax income to reasonably possible changes in interest rates affecting the interest charged on the floating rate borrowings. All other variables are held constant.

The Group believes that a reasonably possible development in euro-zone interest rates would be an increase of 25 basis points or a decrease of 50 basis points (2013: increase of 50 basis points or a decrease of 25 basis points).

Euro interest rates *In millions of euros*	Floating rate borrowings	Increase in rates Pre-tax impact	Decrease in rates Pre-tax impact
Borrowings at December 31, 2014	**412.8**	**(1.0)**	**2.1**
Borrowings at December 31, 2013	437.4	(2.2)	1.1

Credit risk

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Those procedures include the assessment of the creditworthiness of the customer by using sources of quality information such as Dun & Bradstreet reports, audited annual reports, press articles or rating agencies. Should the customer be a governmental entity, the official debt rating of the respective country will be the key driver in determining the appropriate credit risk category. Following this credit analysis, the customer is classified into a credit risk category which can be as follows: "prime" (typically publicly rated and traded customers), "market" (usually higher growth companies with higher leverage) or "sub-prime" (customers for which viability is dependent on continued growth with higher leverage). The credit profile is updated at least once a year for all customers with an ongoing contractual relationship with annual revenues over MEUR/MUSD 1 or the equivalent in any other currency.

Receivables which are more than 90 days overdue are provided for at 100% of the receivable amount. Receivable amounts more than 90 days overdue with a credit worthy government or branch thereof are generally not provided for unless conditions warrant. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is historically insignificant. The carrying value of unprovided gross debtors at December 31, 2014 is EUR 410.6 million (2013: EUR 373.6 million). The Group's largest customers are substantial media companies and government agencies and the credit risk associated with these contracts is assessed as low.

Aging of trade debtors *(in millions of euros)*	Neither past due nor impaired	Less than 1 month	Between 1 and 3 months	More than 3 months	Total
2014					
Gross trade debtors	270.6	48.3	27.5	67.8	414.2
Provision	-	(15.7)	-	(21.5)	(37.2)
Net trade debtors	270.6	32.6	27.5	46.3	377.0
2013					
Gross trade debtors	206.1	136.2	10.1	21.2	373.6
Provision	-	(8.8)	-	(8.9)	(17.7)
Net trade debtors	206.1	127.4	10.1	12.3	355.9

Financial credit risk

With respect to the credit risk relating to financial assets (cash and cash equivalents, held for trading financial assets, loans receivable and derivative instruments), this exposure relates to the potential default of the counterparty, with the maximum exposure being equal to the carrying amount of these instruments. The counterparty risk from a cash management perspective is reduced by the implementation of several cash pools, accounts and related paying platforms with different counterparties.

To mitigate the counterparty risk, the Group only deals with recognised financial institutions with an appropriate credit rating – generally 'A' and above – and in adherence of a maximum trade limit for each counterparty which has been approved for each type of transactions. All counterparties are financial institutions which are regulated and controlled by the federal financial supervisory authorities of the associated countries. The counterparty risk portfolio is analyzed on a quarterly basis. Moreover to reduce this counterparty risk the portfolio is diversified as regards the main counterparties ensuring a well-balanced relation for all categories of products (derivatives as well as deposits).

Capital management

The Group's policy is to attain, and retain, a stable BBB rating with Standard & Poor's and Fitch, and a Baa2 rating with Moody's. This investment grade rating serves to maintain investors, creditors, rating agency and market confidence. Within this framework, the Group manages its capital structure and liquidity in order to reflect changes in economic conditions to keep its cost of debt low, maintain the confidence of debt investors at a high level and to create added value for the shareholder. The Group is committed to maintain a progressive dividend policy which will be validated annually based on cash flow developments and other factors such as yield and payout ratio.

Note 20 – Cash and cash equivalents

In millions of euros	**2014**	2013
Cash at bank and in hand	**173.7**	429.8
Short-term deposits	**350.8**	114.4
Total cash and cash equivalents	**524.5**	544.2

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Short-term deposits and cash at bank and in hand are held at various financial institutions meeting the credit rating criteria set out in Note 19 above.

As at December 31, 2014, an amount of EUR 14.9 million (2013: EUR 16.0 million) is invested in Money Market Funds which qualify as cash and cash equivalents.

Note 21 – Issued capital and reserves

SES has a subscribed capital of EUR 633 million (2013: EUR 633 million), represented by 337,600,000 class A shares and 168,800,000 class B shares with no par value. The movement between the opening and closing number of shares issued per class of share can be summarised as follows:

	Class A shares	Class B shares	Total shares
As at January 1, 2014	**337,600,000**	**168,800,000**	**506,400,000**
Shares Issued during the year	**–**	**–**	**–**
As at December 31, 2014	**337,600,000**	**168,800,000**	**506,400,000**

Fiduciary Deposit Receipts ("FDRs") with respect to Class A shares are listed on the Luxembourg Stock Exchange and on Euronext Paris. They can be traded freely and are convertible into Class A shares at any time at the option of the holder under the conditions applicable in the Company's articles of association and in accordance with the terms of the FDRs.

All Class B shares are currently held by the State of Luxembourg, or by Luxembourg public institutions. Dividends paid for one share of Class B equal 40% of the dividend for one share of Class A.

A shareholder, or a potential shareholder, who seeks to acquire, directly or indirectly, more than 20%, 33% or 50% of the shares of the Company must inform the Chairman of the Board of Directors of the Company of such intention. The Chairman of the Board of Directors of the Company shall forthwith inform the government of the Grand Duchy of Luxembourg of the envisaged acquisition which may be opposed by the government within three months from such information should the government determine that such acquisition would be against the general public interest. In case of no opposition from the government, the board shall convene an extraordinary meeting of shareholders which may decide at a majority provided for in article 67-1 of the law of August 10, 1915, as amended, regarding commercial companies, to authorise the shareholder, or potential shareholder, to acquire more than 20%, 33% or 50% of the shares. If it is an existing shareholder of the Company, it may attend the general meeting and will be included in the count for the quorum but may not take part in the vote.

SES has historically, in agreement with the shareholders, purchased FDRs in respect of 'A' shares in connection with executives' and employees' option schemes as well as for cancellation. At the year-end, the Company held FDRs relating to the above schemes as set out below. These FDRs are disclosed as treasury shares in the balance sheet and are carried at weighted average cost to the Group as a deduction of equity.

	2014	2013
FDRs held as at December 31	1,187,145	1,678,009
Carrying value of FDRs held (in millions of euros)	32.8	29.6

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit (statutory) is transferred to a legal reserve which is non distributable. This requirement is satisfied when the reserve reaches 10% of the issued share capital. As at December 31, 2014 a legal reserve of EUR 63.3 million (2013: EUR 63.2 million) is included within other reserves. Other reserves include a further undistributable amount of EUR 312.2 million (2013: EUR 347.5 million) linked to local tax legislation in Luxembourg (Net wealth tax), which may be released and distributable after a period of 5 years of retention.

Note 22 – Share-based payment plans

The Group has three share-based payment plans which are detailed below. In the case of schemes 1 and 2 the relevant strike price is defined as the average of the market price of the underlying shares over a period of 15 trading days before the date of the grant.

1) **The Stock Appreciation Rights Plan (STAR Plan)**

   The STAR Plan, initiated in 2000, is an equity-settled scheme available to non-executive staff of Group subsidiaries, where share options are granted. In January 2011, the STAR Plan was amended and, for all options granted 2011 onwards, a third of the share options vest and can be exercised each year. After being fully vested, the share options have a four-year exercise period.

	2014	2013
Outstanding options at the end of the year	1,938,948	2,393,356
Weighted average exercise price in euro	22.34	19.29

Out of 1,938,948 outstanding options as of December 31, 2014 (2013: 2,393,356), 773,914 options are exercisable (2013: 1,111,316). Options exercised in 2014 resulted in 969,019 treasury shares (2013: 518,218) being issued at a weighted average price of EUR 17.54 each (2013:EUR 16.57).

On average, the related weighted average share price at the time of exercise was EUR 26.90 (2013: EUR 22.45) per share.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2014		2013	
	Average exercise price per share option in euro	**Number of options**	Average exercise price per share option in euro	Number of options
At 1 January	**19.29**	**2,393,356**	17.43	2,353,319
Granted	**26.91**	**588,425**	23.87	630,356
Forfeited	**24.07**	**(61,510)**	19.33	(45,635)
Exercised	**17.54**	**(969,019)**	16.57	(518,218)
Expired	**17.98**	**(10,104)**	17.18	(15,033)
Cancelled	**16.66**	**(2,200)**	15.15	(11,433)
At December 31	**22.34**	**1,938,948**	19.29	2,393,356

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant	Expiry date – June 1	Exercise price per share options in euro	Share options	
			2014	2013
2014	2021	26.91	**562,808**	--
2013	2020	23.87	**547,076**	621,304
2012	2019	18.38	**461,701**	646,687
2011	2018	17.84	**226,809**	479,267
2010	2015	18.23	**140,554**	451,970
2009	2014	13.68	**--**	194,128
			1,938,948	2,393,356

2) Executive Incentive Compensation Plan (EICP)

The EICP, initiated in 2002, is available to Group executives. Under the plan, options are granted with an effective date of January 1. One-quarter of the entitlement vests on each anniversary date of the original grant. Once vested, the options can be exercised until the tenth anniversary of the original grant.

	2014	2013
Outstanding options at the end of the year	3,613,129	4,359,026
Weighted average exercise price in euro	21.46	17.92

Out of 3,613,129 outstanding options as of December 31, 2014 (2013: 4,359,026), 1,258,527 options are exercisable (2013: 2,090,141). Options exercised in 2014 resulted in 1,847,657 Treasury shares (2013: 1,223,392) being issued at a weighted average price of EUR 16.54 each (2013:15.40).

On average, the related weighted average share price at the time of exercise was EUR 26.90 (2013: EUR 22.45) per share.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2014		2013	
	Average exercise price per share option in euro	**Number of options**	Average exercise price per share option in euro	Number of options
At 1 January	**17.92**	**4,359,026**	16.38	4,960,235
Granted	**26.91**	**1,199,375**	23.87	779,242
Forfeited	**22.34**	**(86,140)**	18.40	(152,485)
Exercised	**16.54**	**(1,847,657)**	15.40	(1,223,392)
Expired	**18.62**	**(10,198)**	17.39	(4,574)
Cancelled	**18.38**	**(1,277)**	-	-
At December 31	**21.46**	**3,613,129**	17.92	4,359,026

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant	Expiry date – Jan 1	Exercise price per share options in euro	Share options	
			2014	2013
2014	2024	26.91	**1,175,242**	--
2013	2023	23.87	**625,208**	773,187
2012	2022	18.38	**659,936**	971,736
2011	2021	17.84	**488,996**	818,458
2010	2020	18.23	**211,845**	516,068
2009	2019	13.68	**146,541**	349,214
2008	2018	14.62	**158,736**	354,129
2007	2017	15.17	**74,294**	240,775
2006	2016	12.93	**48,302**	236,432
2005	2015	10.64	**24,029**	91,027
2004	2014	6.76	**--**	8,000
			3,613,129	4,359,026

3) Long-term Incentive programme ('LTI')

The LTI programme, initiated in 2005, is also a programme for executives and senior executives of the Group. Under the scheme, until end of 2008, restricted shares were allocated to executives on July 1 and these vest on the third anniversary of the grant. Senior executives also had the possibility to be allocated performance shares whose granting was dependent on the achievement of defined performance criteria which are a) individual objectives and b) the economic value added ("EVA") target established by the Board from time to time. Where these criteria were met, the shares vested on the third anniversary of the original grant. Since January 1, 2009, both executives and senior executives are granted restricted and performance shares. Since 2011 the LTI vest on June 1.

	2014	2013
Restricted and performance shares outstanding at the end of the year	843,570	999,684
Weighted average fair value in euro	19.49	16.77

During 2014, 71,216 restricted shares and 206,148 performance shares have been granted. On the same period, 23,603 restricted shares and 24,687 performance shares have forfeited, 149,536 performance shares and 239,652 restricted shares have been exercised. During 2014, 4,000 additional restricted shares have been granted related to 2013 LTI plan with a retroactive effect.

The fair value of equity-settled share options (restricted and performance shares) granted is estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options (restricted and performance shares) were granted. The following table lists the average value of inputs to the model used for the years ended December 31, 2014, and December 31, 2013.

2014	**EICP**	**STARs**	**LTI**
Dividend yield (%)	**5.73%**	**5.73%**	**5.06%**
Expected volatility (%)	**28.82%**	**28.82%**	**20.11%**
Risk-free interest rate (%)	**0.70%**	**0.70%**	**0.36%**
Expected life of options (years)	**9.67**	**7**	**3**
Share price at inception (EUR)	**27.06**	**27.06**	**27.06**
Fair value per option/share (EUR)	**3.52-3.87**	**3.55-3.81**	**23.55**
Total expected cost for each plan (in millions of euros)	**4.1**	**2.0**	**6.3**

2013	EICP	STARs	LTI
Dividend yield (%)	6.08%	6.08%	5.35%
Expected volatility (%)	35.22%	35.22%	25.92%
Risk-free interest rate (%)	0.55%	0.55%	0.20%
Expected life of options (years)	9.67	7	3
Share price at inception (EUR)	23.28	23.28	23.28
Fair value per option/share (EUR)	3.46-3.99	3.45-3.85	19.76
Total expected cost for each plan (in millions of euros)	2.7	2.1	5.2

The expected life of options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may or may not necessarily be the actual outcome. The total charge for the period for share-based compensation payments amounted to EUR 11.3 million (2013: EUR 11.2 million).

Note 23 – Interest-bearing loans and borrowings

As at December 31, 2014 and 2013, the Group's interest-bearing loans and borrowings were:

			Carried at amortised cost	
In millions of euros	Effective interest rate	Maturity	**Amounts outstanding 2014**	Amounts outstanding 2013
Non-current				
U.S. Private Placement				
Series B (USD 513 million)	5.83%	September 2015	**-**	74.4
Series C (USD 87 million)	5.93%	September 2015	**-**	63.1
Euro Private Placement 2016 (EUR 150 million issued under EMTN)	5.05%	August 2016	**149.7**	149.5
European Investment Bank (EUR 200 million)	3.618%	May 2017	**66.7**	100.0
Eurobond 2018 (EUR 500 million)	1.875%	October 2018	**494.1**	493.7
US Bond (USD 500 million)	2.500%	March 2019	**403.1**	-
Eurobond 2020 (EUR 650 million)	4.625%	March 2020	**646.2**	645.5
US Ex-Im	3.11%	June 2020	**64.2**	69.3
Eurobond 2021 (EUR 650 million)	4.75%	March 2021	**645.6**	644.9
COFACE	EURIBOR + 1.7%	October 2022	**352.2**	395.8
US Bond (USD 750 million)	3.60%	April 2023	**610.1**	537.6
Euro Private Placement 2027 (EUR 140 million issued under EMTN)	4.00%	May 2027	**139.4**	139.3
German bond (EUR 50 million), non-listed	4.00%	November 2032	**49.8**	49.8
US Bond (USD 250 million)	5.30%	April 2043	**203.4**	179.3
US Bond (USD 500 million)	5.300%	March 2044	**403.1**	-
Total non-current			**4,227.6**	**3,542.2**

Current				
U.S. Private Placement				
Series B (USD 513 million)	5.83%	September 2015	**84.5**	74.4
Series C (USD 87 million)	5.93%	September 2015	**71.7**	
European Investment Bank (EUR 200 million)	3.618%	May 2015	**33.3**	33.3
Eurobond 2014 (EUR 650 million)	4.875%	July 2014	**-**	649.5
COFACE	EURIBOR + 1.7%	Various in 2015	**54.2**	33.9
US Ex-Im	3.11%	Various in 2015	**14.8**	12.6
Total current			**258.5**	**803.7**

- **U.S. Private Placement**

  On September 30, 2003, the Group issued in the U.S. Private Placement market four series of unsecured notes amounting to USD 1,000.0 million and GBP 28.0 million. These notes comprised:

  1) Series A USD 400.0 million of 5.29% Senior Notes due September 2013, repayable as of September 2007. The Private Placement Series A was repaid on September 30, 2013.
  2) Series B USD 513.0 million of 5.83% Senior Notes due September 2015, repayable as of September 2011.
  3) Series C USD 87.0 million of 5.93% Senior Notes due September 2015.
  4) Series D GBP 28.0 million of 5.63% Senior Notes due September 2013, repayable as of September 2007. The Private Placement Series D was repaid on September 30, 2013.

  On these four series, the Group pays interests semi-annually. SES is committed under the U.S. Private Placement to maintaining covenants requiring certain financial ratios to be upheld within agreed limits in order to provide sufficient security to the lenders. Of these, the covenant which management monitors the most actively is the requirement to maintain the Net Debt / EBITDA ratio at a level of 3.5 or below.

- **European Medium-Term Note Programme ('EMTN')**

  On December 6, 2005, SES put in place a EUR 2,000.0 million EMTN enabling SES, or SES Global Americas Holdings GP, to issue as and when required notes up to a maximum aggregate amount of EUR 2,000.0 million. In May 2007, this programme was increased to an aggregate amount of EUR 4,000.0 million. On October 3, 2014 this programme has been extended for one further year. As of December 31, 2014, SES had issued EUR 2,090.0 million (2013: EUR 2,740.0 million) under the EMTN Programme with maturities ranging from 2014 to 2027.

- **EUR 650.0 million Eurobond (2014)**

  On July 9, 2009 (pricing June 30, 2009), SES issued a EUR 650.0 million bond under the Company's European Medium-Term Note Programme. The bond had a 5-year maturity and has borne interest at a fixed rate of 4.875%. It was fully repaid on July 9, 2014.

- **EUR 150.0 million Private Placement (2016)**

  On July 13, 2009, SES issued a EUR 150.0 million Private Placement under the Company's European Medium-Term Note Programme with Deutsche Bank. The Private Placement has a 7-year maturity, beginning August 5, 2009, and bears interest at a fixed rate of 5.05%.

- **EUR 500.0 million Eurobond (2018)**

  On October 16, 2013, SES issued a EUR 500.0 million bond under the Company's European Medium-Term Note Programme. The bond has a 5-year maturity and bears interest at a fixed rate of 1.875%.

- **144A Bond USD 500 million (2019)**

  On March 25, 2014, SES completed a 144A offering in the US market issuing USD 500 million 5-year bond with a coupon of 2.50% and a final maturity date of March 25, 2019.

- **EUR 650.0 million Eurobond (2020)**

  On March 9, 2010 (pricing March 1, 2010), SES issued a EUR 650.0 million bond under the Company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.625%.

- **EUR 650.0 million Eurobond (2021)**

  On March 11, 2011 (pricing March 2, 2011), SES issued a EUR 650.0 million bond under the Company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.75%.

- **EUR 140.0 million Private Placement (2027)**

  Between May and July 2012, SES issued three individual tranches of a total EUR 140.0 million Private Placement under the Company's European Medium-Term Note Programme with ING Bank N.V. The Private Placement has a 15-year maturity, beginning May 31, 2012, and bears interest at a fixed rate of 4.00%.

- **EUR 200.0 million European Investment Bank funding**

  On April 21, 2009, SES signed a financing agreement with the European Investment Bank concerning the investment by the Group in certain satellite investment projects. This facility, bearing interest at a fixed rate of 3.618%, is repayable in six annual installments between May 2012 and May 2017.

- **German bond issue of EUR 50.0 million**

  On October 29, 2012, the Group signed an agreement to issue EUR 50 million in the German bond ('Schuldschein') market. The German bond bears a fixed interest rate of 4.0% and matures on November 12, 2032.

- **144A Bond USD 750 million (2023)**

  On April 4, 2013, SES completed a 144A offering in the US market issuing USD 750 million 10-year bond with a coupon of 3.60% and a final maturity date on April 4, 2023.

- **144A Bond USD 250 million (2043)**

  On April 4, 2013, SES completed a 144A offering in the US market issuing USD 250 million 30-year bond with a coupon of 5.30% and a final maturity date on April 4, 2043.

- **144A Bond USD 500 million (2044)**

  On March 25, 2014, SES completed a 144A offering in the US market issuing USD 500 million 30-year bond with a coupon of 5.30% and a final maturity date of March 25, 2044.

- **Syndicated loan 2020**

  In January 2014, the Group updated its previous syndicated loan facility ('Syndicated loan 2015'). The updated facility is being provided by 20 banks and has been structured as a 5 year multicurrency revolving credit facility with two one-year extension options at the discretion of the lenders. The facility is for EUR 1.2 billion and the interest payable is linked to a ratings grid. At the current SES rating of BBB / Baa2, the interest rate is 45 basis points over EURIBOR/LIBOR. On December 23, 2014, all lenders granted an extension of the facility by one year to January 14, 2020. The facility expiry date is December 14, 2019. As at December 31, 2014, no amount drawn from this facility.

- **EUR 522.9 million COFACE facility**

  On December 16, 2009, SES signed a financing agreement with COFACE (Compagnie Française d'Assurance pour le Commerce Extérieur) in respect of the investment in four geostationary satellites (ASTRA 2E, ASTRA 2F, ASTRA 2G, ASTRA 5B). The facility is divided into five loans. The drawings under the facility are based on invoices from the supplier of the satellites. The first drawing was done on April 23, 2010 and all loan tranches became fully drawn in November 2014 Each Coface tranche is repayable in 17 equal semi-annual installments where Coface A has a final maturity date of August 1, 2022, Coface B and F are maturing on May 21, 2021 and Coface C and D are maturing on October 3, 2022. The entire facility bears interest at a floating rate of six month EURIBOR plus a margin of 1.7%.

- **USD 158 million US Ex-Im facility**

  In April 2011, SES signed a financing agreement with Ex-Im Bank (Export-Import Bank of the United States) over USD 158 million for the investment in one geostationary satellite (QuetzSat). At the in-orbit acceptance date of the satellite, the facility was fully drawn with USD 152.2 million which will be repaid in 17 equal semi-annual installments starting on June 22, 2012. The loan has a final maturity date of June 22, 2020 and bears interest at a fixed rate of 3.11%.

- **French Commercial paper programme**

  On October 25, 2005, SES put in place a EUR 500.0 million 'Programme de Titres de Créances Négociables' in the French market where the Company issued 'Billets de Trésorerie' (commercial paper) in accordance with articles L.213-1 to L213-4 of the French Monetary and Financial Code and decree n°92.137 of February 13, 1992 and all subsequent regulations. The maximum outstanding amount of 'Billet de Trésorerie' issuable under the programme is EUR 500.0 million or its counter value at the date of issue in any other authorised currency. On May 26, 2014, this programme was extended for one further year. As of December 31, 2014 borrowings of EUR nil million (2013: EUR nil million) were outstanding under this programme.

- **European Commercial paper programme**

  In July 2012, SES signed the documentation for the inception of a joint EUR 1 billion guaranteed European commercial paper programme of SES S.A. and SES Global Americas Holdings GP. The issuance under the programme represents senior unsecured obligations of the issuer and any issuance under the programme is guaranteed by the non-issuing entity. The programme is rated by Moody's Investors Services and is compliant with the standards set out in the STEP Market Convention. As of December 31, 2014 borrowings of EUR nil million (2013: EUR nil million) were outstanding.

Note 24 – Provisions

In millions of euros	Non-current	Current
As at January 1, 2014	**129.0**	**12.6**
Increase in provisions	58.7	7.9
Decrease in provisions	(15.5)	(12.6)
Transfer	(35.1)	35.1
Impact of currency translation	3.4	0.7
As at December 31, 2014	**140.5**	**43.8**

In millions of euros	Non-current	Current
As at January 1, 2013	**169.8**	**16.0**
Increase in provisions	16.4	–
Decrease in provisions	(42.0)	(16.0)
Transfer	(12.6)	12.6
Impact of currency translation	(2.6)	–
As at December 31, 2013	**129.0**	**12.6**

Provisions relate primarily to Group tax provisions, provision for post-retirement benefit schemes and other items arising in the normal course of business.

In U.S. operations, certain employees benefit from a post-retirement health benefits programme which is externally insured. As at December 31, 2014, accrued premiums of EUR 14.8 million (2013: EUR 16.6 million) are included in this position. Contributions made in 2014 to Group pension schemes totalled EUR 1.6 million (2013: EUR 1.6 million), which are recorded in the income statement under 'staff costs'. During 2014, the Company modified the benefits under this programme, and as a result recognised an income of EUR 8.3 million in "Other operating expenses" of the year. The EUR 1.8 million reduction in the balance during 2014 is the result of this credit, partially offset by the 2014 expenses under the plan and the change in the discount rate in valuing the liability as of year-end 2014 and 2013.

Note 25 – Deferred income

In millions of euros	Non-current	Current
As at January 1, 2014	**227.8**	**385.6**
Movement on deferred income	90.2	10.3
Impact of currency translation	17.1	14.7
As at December 31, 2014	**335.1**	**410.6**

In millions of euros	Non-current	Current
As at January 1, 2013	**285.4**	**238.2**
Movement on deferred income	(48.1)	144.6
Impact of currency translation	(9.5)	2.8
As at December 31, 2013	**227.8**	**385.6**

Note 26 – Trade and other payables

In millions of euros	**2014**	2013
Trade creditors	**89.8**	72.4
Payments received in advance	**18.1**	40.2
Interest on loans	**80.8**	89.1
Personnel-related liabilities	**35.3**	27.1
Tax liabilities other than for income tax	**33.2**	22.4
Other liabilities	**78.1**	90.2
Total	**335.3**	341.4

In the framework of receivables securitisation transactions completed in June 2010, in June 2012 and June 2013, the Group received a net cash amount of EUR 50.6 million, EUR 59.5 million and EUR 40.2 million respectively from a financial institution as advance settlement of future receivables arising between 2011 and 2016 under contracts with a specific customer. A corresponding liability of EUR 41.6 million (2013: EUR 82.7 million), representing SES' obligation towards the financial institution to continue to provide services to the customer in accordance with the terms of the customer contract, is recorded in the Statement of Financial Position as at December 31, 2014 under 'Other long-term liabilities', for EUR 23.6 million (2013: EUR 41.6 million), and 'Trade and other payables' for EUR 18.0 million (2013: EUR 41.1 million).

Note 27 – Commitments and contingencies

Capital commitments

The Group had outstanding commitments in respect of contracted capital expenditure totalling EUR 190.9 million at December 31, 2014 (2013: EUR 25.2 million). These commitments largely reflect the purchase and launch of future satellites for the expansion and replacement of the Group satellite system, together with the necessary expansion of the associated ground station and control facilities. In the case of termination by the Group of these contracts, contractual penalty provisions apply.

Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases are as follows as at December 31:

In millions of euros	**2014**	2013
Within one year	**5.9**	8.4
After one year but not more than five years	**4.5**	10.1
More than five years	**2.5**	4.4
Total	**12.9**	22.9

Total operating lease expense was EUR 8.4 million in 2014 (2013: EUR 11.0 million).

Commitments under transponder service agreements

The Group has entered into transponder service agreements for the purchase of satellite capacity from third parties under contracts with a maximum life of eight years. The commitment arising under these agreements as at December 31 is as follows:

In millions of euros	**2014**	2013
Within one year	**9.8**	8.4
After one year but not more than five years	**1.1**	4.1
After more than five years	**--**	1.9
Total	**10.9**	14.4

Total operating lease expense for transponder service agreements was EUR 8.4 million in 2014 (2013: EUR 29.3 million).

Litigation

There were no significant litigation claims against the Group as of December 31, 2014.

Guarantees

On December 31, 2014 the Group had outstanding bank guarantees for an amount of EUR 78.1 million (2013: EUR 19.7 million) with respect to performance and warranty guarantees for services of satellite operations.

Restrictions on use of cash

At the year-end, there were no restricted cash balances (2013: nil).

Note 28 – Related parties

The state of Luxembourg holds a direct 11.58% voting interest in the Company and two indirect interests, both of 10.88%, through two state owned banks, Banque et Caisse d'Epargne de l'Etat and Société Nationale de Crédit et d'Investissement. These shares constitute the Company's Class B shares, which are described in more detail in Note 21.

The total payments to directors for attendance at board and committee meetings in 2014 amounted to EUR 1.3 million (2013: EUR 1.4 million). These payments are computed on a fixed and variable basis, the variable part being based upon attendance at board and committee meetings.

In 2014, SES recognised revenue of EUR 7.2 million (2013: nil) from O3b Networks Limited in connection with the provision of satellite-related services to that company. O3b Networks Limited has commitments to SES for similar services totalling EUR 10.4 million, of which EUR 3.0 million will be incurred within one year and EUR 7.4 million between 2 and 5 years (refer also to Note 16).

There were no other significant transactions with related parties.

The key management of the Group, defined as the Group's Executive Committee, received compensation as follows:

In millions of euros	**2014**	2013
Remuneration including bonuses	**5.2**	5.0
Pension benefits	**0.7**	0.6
Share-based payments	**12.6**	5.0
Other benefits	**0.3**	0.1
Total	**18.8**	10.7

Total share-based payment instruments allocated to key management as at December 31, 2014 were 893,150 (2013: 1,521,328).

Note 29 – Non-controlling Interest

Set out below is the summarised financial information for each subsidiary that has non-controlling interests (NCI) that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

In millions of euros	Ciel Satellite Limited Partnership, Canada (30% held by NCI)		Al Maisan Satellite Communications (YahSat) LLC, UAE (65% held by NCI)	
Summarised balance sheet	**2014**	2013	**2014**	2013
Current assets	**5.4**	4.6	**16.5**	11.9
Current liabilities	**(16.8)**	(14.5)	**(5.8)**	(4.2)
Current net assets	**(11.4)**	(9.9)	**10.7**	7.7
Non-current assets	**147.3**	143.6	**74.6**	71.5
Non-current liabilities	**(43.1)**	(49.1)	**-**	-
Non-current net assets	**104.2**	94.5	**74.6**	71.5
Net assets	**92.8**	84.6	**85.3**	79.2
Accumulated NCI	**27.8**	25.4	**55.4**	51.5

In millions of euros	Ciel Satellite Limited Partnership, Canada (30% held by NCI)		Al Maisan Satellite Communications (YahSat) LLC, UAE (65% held by NCI)	
Summarised statement of comprehensive income	**2014**	2013	**2014**	2013
Revenue	**36.6**	36.2	**14.8**	8.9
Operating expenses	**(3.6)**	(3.0)	**(13.1)**	(7.1)
Profit for the period	**16.1**	15.4	**4.2**	4.2
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income	**16.1**	15.4	**4.2**	4.2
Profit/(loss) allocated to NCI	**4.8**	4.6	**2.7**	2.7
Dividend paid to NCI	**5.6**	5.6	**-**	-

In millions of euros	Ciel Satellite Limited Partnership, Canada (30% held by NCI)		Al Maisan Satellite Communications (YahSat) LLC, UAE (65% held by NCI)	
Summarised cash flows	**2014**	2013	**2014**	2013
Cash flows from/(absorbed by) operating activities	**19.2**	18.8	**(2.3)**	(1.5)
Cash flows from/(absorbed by) investing activities	**(0.3)**	(0.3)	**-**	-
Cash flows from/(absorbed by) financing activities	**(19.1)**	(18.1)	**-**	2.9
Net increase/(decrease) in cash and cash equivalents	**(0.2)**	0.4	**(2.3)**	1.4

There were no transactions with non-controlling interests in 2013 and 2014.

Note 30 – Eutelsat settlement

On January 30, 2014 SES and Eutelsat Communications announced the conclusion of a series of agreements including a comprehensive settlement of legal proceedings concerning the right to operate at the 28.5 degrees East orbital position and containing long-term commercial as well as frequency coordination elements.

- The first agreement ends the arbitral procedure between Eutelsat and SES that was initiated in October 2012 under the rules of the International Chamber of Commerce in Paris. The dispute concerned a right of use of 500 MHz spectrum at the 28.5 degrees East orbital position. Eutelsat ceased to operate this spectrum on 3 October 2013 and SES has operated this spectrum since that date. The dispute over this right of use has now been resolved, with SES continuing to operate its satellites at this location, and Eutelsat independently commercialising part of the capacity of the previously disputed frequencies.
- According to the second agreement between both companies, Eutelsat has therefore contracted long-term satellite capacity on the SES satellite fleet at the 28.5 degrees East orbital position. Eutelsat is commercialising over Europe on the SES fleet 125 MHz (eight Band-B transponders) of the formerly disputed 500 MHz. Eutelsat is also commercialising on the SES fleet the 250 MHz (12 Band-A transponders) which was not the subject of the legal proceedings. The 20 transponders are operated on three new satellites which SES is deploying at the 28.2/28.5 degrees East neighbourhood – ASTRA 2F, ASTRA 2E and ASTRA 2G. The first two of these satellites have been launched and commenced operational service; ASTRA 2G was launched in December 2014 and is expected to commence providing the service to Eutelsat during the first half of 2015.
- The third agreement between the two companies addresses technical frequency coordination under the rules of the International Telecommunication Union. It will allow both parties an optimised use of their respective spectrum at a number of orbital positions over Europe, the Middle East and Africa. It confirms and clarifies in technical terms the geographic coverage and transmission power levels for frequencies at these positions.

Within the framework of these agreements, SES is recognising revenues in connection with the sale of the 12 Band-A transponders, with eight of these recognised in 2014. SES will recognise revenue on the provision of services on the eight Band-B transponders over the term of the agreement. SES has also recognised additional intangible assets to reflect the economic benefit generated through the clarification of the technical frequency coordination matters at the various orbital positions.

Note 31 – Post-Balance Sheet events

Incorporation of LuxGovSat

On February 12, 2015, SES and the Luxembourg Government jointly incorporated a legal entity LuxGovSat as a limited liability Company (Société Anonyme) under Luxembourg Law. LuxGovSat will procure and operate a satellite which is expected to be launched in the second quarter of 2017.

The Luxembourg Government and SES are each subscribing EUR 50 million for their interest in the equity of the new company, which will also enter into a EUR 125 million bank loan with a consortium of Luxembourg banks to finance the satellite procurement and launch. The spacecraft is to be positioned in the European arc, covering Europe, the Middle East, and Africa.

The capacity of the new satellite will satisfy Luxembourg's requirements for satellite communications in military frequencies and will be made available to governmental and institutional customers for defence and governmental applications. The multi-mission satellite will use dedicated military frequencies (known as X-band and military Ka-band), providing high-powered and fully steerable spot beams to support multiple operations.

Procurement of SES-14, SES-15 and SES-16

On 16 February 2015 SES announced the addition of three next-generation satellites to its family; SES-14, SES-15 and SES-16/Govsat, which will allow SES to address the accelerating needs of fast growing markets and add significant high-power capacity to all four key strategic business verticals - video, data, mobility and government. All three satellites, manufactured by Airbus Space and Defence, Boeing and Orbital AKT, respectively, will be using the newest spacecraft technologies, leading to optimal performance and highest efficiency. SES-14 and SES-15 are both powerful hybrid satellites, using Ku-, Ka- and -- in the case of SES-14 -- also C-band in wide-beam and high-throughput (HTS) technology and a purely electric propulsion system that significantly enhances the satellites' economic efficiency thanks to the enhanced payload that can be carried as a result of the reduction in fuel mass. SES-16/GovSat, which is the satellite referred to above in the 'Incorporation of LuxGovSat' section, is a state-of-the-art multi-mission satellite with high-powered and fully steerable beams for government missions which will be owned and operated by LuxGovSat,. The aggregate capital commitment associated with these three programmes is approximately EUR 750 million excluding the capitalisation of interest. This includes 100% of the capital commitment concerning SES-16, although the Luxembourg Government will be sharing in the funding of this satellite on an equal basis with SES.

Note 32 – Consolidated subsidiaries, associates and affiliates

The consolidated financial statements include the financial statements of the material subsidiaries and associates listed below:

	Economic interest (%) 2014	Economic interest (%) 2013	Method of consolidation 2014
Held directly by SES:			
SES ASTRA S.A., Luxembourg	**100.00**	100.00	Full
SES GLOBAL-Americas Inc., U.S.A.	**100.00**	100.00	Full
SES GLOBAL Americas Holdings General Partnership, U.S.A.	**100.00**	100.00	Full
SES GLOBAL Africa S.A., Luxembourg	**100.00**	100.00	Full
SES Participations S.A., Luxembourg	**100.00**	100.00	Full
SES Finance S.à r.l., Switzerland	**100.00**	100.00	Full
SES Holdings (Netherlands) B.V., Netherlands	**100.00**	100.00	Full
SES ASTRA Services Europe S.A., Luxembourg	**100.00**	100.00	Full
SES Latin America S.A., Luxembourg	**100.00**	100.00	Full
SES Belgium S.p.r.l, Belgium	**100.00**	100.00	Full
SES Insurance International S.A., Luxembourg	**100.00**	100.00	Full
SES Insurance International Re S.A., Luxembourg	**100.00**	100.00	Full
SES Lux Finance S.à r.l., Luxembourg	**100.00**	100.00	Full
SES NL Finance S.à r.l., Luxembourg	**100.00**	100.00	Full
Held through SES Participations S.A., Luxembourg:			
Ciel Satellite Holdings Inc., Canada	**100.00**	100.00	Full
Ciel Satellite Limited Partnership, Canada	**70.00**	70.00	Full
Northern Americas Satellite Ventures, Inc., Canada	**100.00**	100.00	Full
Held through SES ASTRA Services Europe S.A., Luxembourg:			
Glocom (Communications and Images) Limited (Isle of Man) [4]	**--**	75.00	--
SES TechCom S.A., Luxembourg	**100.00**	100.00	Full
SES ASTRA TechCom Belgium S.A., Belgium	**100.00**	100.00	Full
Astralis S.A., Luxembourg[4]	**--**	100.00	--
SES Broadband Services S.A., Luxembourg	**100.00**	100.00	Full
SES Digital Distribution Services AG, Switzerland	**100.00**	100.00	Full
SES Digital Distribution Services S.à r.l., Luxembourg	**100.00**	100.00	Full
Redu Operations Services S.A., Belgium	**48.00**	48.00	Equity
Redu Space Services S.A., Belgium	**52.00**	52.00	Full
HD Plus GmbH, Germany	**100.00**	100.00	Full
SES ASTRA Real Estate (Betzdorf) S.A., Luxembourg	**100.00**	100.00	Full
SES Capital Belgium S.A., Belgium[3]	**100.00**	100.00	Full
SES Platform Services GmbH, Germany	**100.00**	100.00	Full
SES Digital Distribution Services GmbH, Germany	**100.00**	100.00	Full
Virtual Planet Group GmbH, Germany	**90.00**	90.00	Full
SmartCast GmbH[2]	**100.00**	--	Full
SmartCast Technologies Ltd[2]	**100.00**	--	Full
SmartCast Asia Ltd[2]	**100.00**	--	Full

	Economic interest (%) 2014	Economic interest (%) 2013	Method of consolidation 2013
Held through SES ASTRA S.A.:			
ASTRA Deutschland GmbH, Germany	**100.00**	100.00	Full
ASTRA (U.K.) Ltd, United Kingdom	**100.00**	100.00	Full
ASTRA Iberica S.A., Spain	**100.00**	100.00	Full
ASTRA France S.A., France	**100.00**	100.00	Full
ASTRA (GB) Limited, United Kingdom	**100.00**	100.00	Full
ASTRA Benelux B.V., The Netherlands	**100.00**	100.00	Full
SES ASTRA CEE Sp. z o.o, Poland	**100.00**	100.00	Full
SES ASTRA Italia S.r.l.	**100.00**	100.00	Full
SES ENGINEERING (Luxembourg) S.à r.l., Luxembourg	**100.00**	100.00	Full
New Skies Investments S.à r.l, Luxembourg	**100.00**	100.00	Full
SES ASTRA AB, Sweden	**100.00**	100.00	Full
Sirius Satellite Services SIA, Latvia	**100.00**	100.00	Full
SES SIRIUS Ukraine, Ukraine	**100.00**	100.00	Full
SES ASTRA 1KR S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 1L S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 1M S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 3B S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 5B S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 1N S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 2E S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 2F S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 2G S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA (Romania) S.à r.l.	**100.00**	100.00	Full
SES 10 S.à r.l.[1]	**100.00**	--	Full
Held through SES Finance S.à r.l.:			
SES Re International (Bermuda) Ltd, Bermuda[3]	**100.00**	100.00	Full
SES Satellite Leasing Ltd, Isle of Man	**100.00**	100.00	Full
Al Maisan Satellite Communications (YahSat) LLC, UAE	**35.00**	35.00	Full
Satellites Ventures (Bermuda), Ltd	**100.00**	100.00	Full
Held through SES GLOBAL Africa S.A.:			
SES ASTRA Africa (Proprietary) Ltd, South Africa	**100.00**	100.00	Full
ODM (Proprietary) Ltd, South Africa	**14.67**	15.08	Equity
SES Satellites Ghana Ltd	**100.00**	100.00	Full
Held through SES GLOBAL-Americas Inc.:			
SES AMERICOM, Inc., U.S.A.	**100.00**	100.00	Full
SES AMERICOM PAC, Inc., U.S.A.	**100.00**	100.00	Full
SES AMERICOM International Holdings, Inc., U.S.A.	**100.00**	100.00	Full
SES AMERICOM (Brazil) Holdings, LLC, U.S.A.	**100.00**	100.00	Full
SES AMERICOM do Brasil Servicos de Telecomunicacoes, Ltda, Brazil	**100.00**	100.00	Full
AMERICOM Government Services, Inc., U.S.A.	**100.00**	100.00	Full
Sistemas Satelitales de Mexico S. de R.L. de C.V., Mexico	**100.00**	73.99	Full

	Economic interest (%) 2014	Economic interest (%) 2013	Method of consolidation 2014
Socios Aguila S.de R.L de C.V., Mexico	**49.00**	49.00	Equity
Columbia Communications Corporation, U.S.A.	**100.00**	100.00	Full
SES Satellites International, Inc., U.S.A.	**100.00**	100.00	Full
SES Satellites (Gibraltar) Ltd, Gibraltar	**100.00**	100.00	Full
SES AMERICOM Colorado, Inc., U.S.A.	**100.00**	100.00	Full
AMC-1 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-2 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-3 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-5 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-6 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-8 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-9 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-10 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-11 Holdings LLC, U.S.A.	**100.00**	100.00	Full
SES AMERICOM (Asia 1A) LLC, U.S.A.	**100.00**	100.00	Full
AMERICOM Asia Pacific LLC, U.S.A.	**100.00**	100.00	Full
AMC-12 Holdings LLC, U.S.A.	**100.00**	100.00	Full
SES AMERICOM California, Inc., U.S.A.	**100.00**	100.00	Full
AMC-4 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-7 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-15 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-16 Holdings LLC, U.S.A.	**100.00**	100.00	Full
SES-1 Holdings, LLC, U.S.A.	**100.00**	100.00	Full
QuetzSat Directo, S. de R.L. de C.V., Mexico	**100.00**	49.00	Full
SES ENGINEERING (U.S.) Inc., U.S.A.	**100.00**	100.00	Full
AOS Inc., U.S.A.	**100.00**	100.00	Full
SES-2 Holdings LLC, U.S.A.	**100.00**	100.00	Full
SES-3 Holdings LLC, U.S.A.	**100.00**	100.00	Full
Held through SES Latin America S.A.:			
QuetzSat S. de R.L. de C.V., Mexico	**100.00**	73.99	Full
Satellites Globales S. de R.L. de C.V., Mexico	**100.00**	49.00	Full
SES Satelites Directo Ltda, Brazil	**100.00**	100.00	Full
SES DTH do Brasil Ltda, Brazil	**100.00**	100.00	Full
SES GLOBAL South America Holding S.L., Spain	**100.00**	100.00	Full
Held through SES Holdings (Netherlands) B.V.:			
New Skies Satellites, Inc., U.S.A.	**100.00**	100.00	Full

	Economic Interest (%) 2014	Economic interest (%) 2013	Method of Consolidation 2014
New Skies Satellites Mar B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites Ltda, Brazil	**100.00**	100.00	Full
New Skies Networks, Inc., U.S.A.	**100.00**	100.00	Full
New Skies Networks (U.K.) Ltd, U.K.	**100.00**	100.00	Full
SES ENGINEERING (Netherlands) B.V., The Netherlands	**100.00**	100.00	Full
New Skies Asset Holdings, Inc., U.S.A.	**100.00**	100.00	Full
SES NEW SKIES Marketing B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites India B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites Argentina B.V., The Netherlands	**100.00**	100.00	Full
New Skies Networks Australia B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites Australia Pty Ltd, Australia	**100.00**	100.00	Full
New Skies Satellites Licensee B.V., The Netherlands	**100.00**	100.00	Full
SES Asia S.A., Luxembourg	**100.00**	100.00	Full
SES Finance Services AG, Switzerland	**100.00**	100.00	Full
O3b Networks Ltd, Jersey (Channel Islands)[5]	**44.75**	46.85	Equity
SES World Skies Singapore Pty Ltd, Singapore	**100.00**	100.00	Full

1 Entity created in 2014.

2 Entity acquired in 2014.

3 Entity sold, merged, liquidated or in the process of liquidation in 2014.

4 Entity sold, merged or liquidated in 2013

5 See Note 15.